

Santa Clara Valley Transportation Authority

Adopted Biennial Budget

**Fiscal Years
2010 and 2011**



**July 1, 2009 – June 30, 2010
and
July 1, 2010 – June 30, 2011**



Search Instructions

Items in this PDF version of the FY 2010 and FY 2011 Adopted Biennial Budget Book can be found using one of the following 4 methods:

- 1) Hyperlinks in the Table of Contents.
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Santa Clara Valley Transportation Authority

Santa Clara County, California



Adopted Biennial Budget Fiscal Years 2010 and 2011

Adopted by the Board of Directors June 4, 2009

ABOUT VTA

The Santa Clara Valley Transportation Authority (VTA) is an independent special district responsible for bus and light rail operation, regional commuter and inter-city rail service, Americans with Disabilities Act (ADA) paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. As such, VTA is both an accessible transit provider and a multi-modal transportation planning and implementation organization involved with transit, roadways, bikeways, and pedestrian facilities. VTA provides services to cities throughout Santa Clara County including Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale.



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VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



Message from the General Manager

This document presents the Santa Clara Valley Transportation Authority's biennial budget for fiscal years 2010 and 2011. The two-year budget was developed amid a climate of economic distress, declining sales tax revenues, and evaporating state funding for transit operations. The growing financial crisis affects not only VTA's operations, but also our many capital programs.

At the outset, VTA established five objectives to guide the development of this budget: maintain core service, preserve jobs, continue to make infrastructure investments, advance capital programs, and take an even approach to balancing the budget with new revenues, reserves, and reduced expenditures. The adopted biennial budget reflects substantial achievement of these objectives.

To be sure, the FY 2010 and FY 2011 budget is more austere than the prior biennial budget, which restored certain services and reduced select pass prices. To achieve this year's budget objectives, VTA had to make serious choices and, ultimately, sacrifices. The most significant changes include the following:

- Service reductions –No service changes were included in the operating budget; instead, we were planning to capture the savings identified in the Annual Transit Service Plan to reduce operating expenses. However, subsequent to the Board action adopting the recommended budget in June 2009, projections for sales tax revenues for the third and fourth quarters of FY 2009 were reduced by another \$16.3 million. This affected not only the beginning operating reserves, but also decreased projected sales tax receipts in FY 2010 and FY 2011 by another \$34.9 million. In response, the Board will consider a proposed Transit Service Reduction Plan that contains a combined reduction in bus and light rail service hours of approximately 8%. If adopted, the service changes would go into effect on January 11, 2010, and reduce operating costs by \$6.4 million annually. VTA is following the Service Design Guidelines, developed as part of the Comprehensive Operations Analysis, to cut the least productive service while minimizing impacts on ridership. These proposed changes are not included in the adopted budget.
- Staff reductions – VTA labor costs represent more than 70% of operating costs. While some savings will be achieved through attrition and holding vacant positions open, additional steps are necessary to reach the savings targets established for this budget. VTA's non-represented employees and employees represented by Transportation Authority Engineers and Architects Association Local 21 (TAEA), American Federation of State, County and Municipal Employees Local 101 (AFSCME), and Service Employees International Union Local 521 (SEIU) have accepted wage freezes and unpaid furlough provisions for the next two years. Employees represented by Amalgamated Transit Union Local 265 (ATU) have accepted a two-year deferral of previously negotiated wage increases. In addition, the proposed January 2010 service changes will result in approximately 80 layoffs, primarily among operators and mechanics. As mentioned above, the anticipated labor savings from these layoffs are not reflected in the adopted budget.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

- Fare increases – After more than four years of no increases, and in some cases reductions in several fare categories, the adopted biennial budget includes an increase in all fares. All single ride and community bus fares will increase by \$0.25 (with the exception of the senior/disabled community bus fare, which will remain at \$0.50), and all pass prices and paratransit fares will be adjusted proportionally. This represents an increase of 14% to 33% for most fare categories. Eco Pass fares, which date from January 2004, will increase by 20%. The adopted biennial budget assumed the fare increase would go into effect in January 2010; however, in response to the adjustments in sales tax revenue projections, the fare increase has been moved forward to October 2009.
- Transit capital investments – VTA recognizes that it is critical to maintain our transit system in a state of good repair, even under extraordinarily challenging financial conditions. The transit capital program provides funding for vehicle replacement, facility upgrades, security enhancements, infrastructure maintenance, and technology improvements. In order to offset the decline in sales tax revenues and state transit funding, virtually all federal 5307 funds, some of which would normally fund capital projects, has been redirected to preventive maintenance. However, we were able to backfill the loss of 5307 funds for the capital program with federal stimulus and state Prop 1B funds. Over 91% of the funding for the two-year capital program is from federal, state, or other outside sources.
- 2000 Measure A Program – The adopted biennial budget continues to advance the 2000 Measure A Transit Improvement Program, but reflects a modified approach to budgeting for individual projects. Consistent with the recommendation of the California Bureau of State Audits, the Measure A capital budget more clearly reflects the planned capital spending that will be incurred in the next two years. Previous appropriations for some projects have been de-obligated due to changed circumstances or program priorities in order to more accurately reflect planned expenditures over the two-year budget period. Future commitments will be made only when sufficient funds to complete and operate specific projects are secured.
- Congestion Management and Highway Programs – As the Congestion Management Agency (CMA) for Santa Clara County, VTA will continue to manage county-wide transportation planning efforts and oversight of grant programs. In an effort to minimize the impact on member agencies, VTA has deferred any increase in Congestion Management Program fees for one year. All highway improvement projects are funded with grants (federal, state, regional or local) or agreements with the appropriate city.
- Use of reserves – The adopted biennial budget uses operating reserves to close the remaining budget gap. These reserves are accumulated in good economic times to support both operations and infrastructure investments during difficult years. While VTA's policy is to maintain a 15% operating reserve, the adopted biennial budget reflects operating reserves of 13.5% at the end of FY 2010, declining further to 6.8% by the end of FY 2011. These reserve balances are currently projected to deteriorate even further with the additional loss of sales tax revenues. However, the decline will be offset

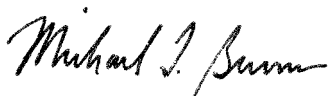
VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

somewhat by reduced operating costs as a result of the proposed service reductions. Once the economy recovers, VTA will work towards restoring operating reserves to the 15% level.

Overall, the adopted biennial budget represents a balanced approach by asking both riders and employees to share the burden of bridging the funding gap in these difficult economic times, while attempting to avoid more drastic solutions like widespread service cuts or layoffs. While we must draw down operating reserves to balance the operating budget, we can support planned capital investments on a pay-as-you-go basis, without issuing additional debt in the two-year period. This reflects a prudent approach to capital planning during these uncertain economic times.

While there are signs that we may be reaching the bottom of this most recent economic downturn, we are still a long way from anything approaching a full recovery. Economic activity continues to shrink, and we do not expect to see growth in sales tax revenues for the next two years, and only modest increases down the road. Some of the recent dislocations may become permanent, and greater austerity among consumers may reflect a fundamental shift in behavior. The precipitous drop in sales tax revenues is a reminder that VTA's financial health is fundamentally tied to the overall economy. VTA must position itself to be flexible and respond quickly to changing conditions, as we are doing in this biennial budget.

Despite the challenging financial environment, I remain optimistic that VTA will continue moving forward in the next two years. Necessary changes in service will build on the principles of the Comprehensive Operations Analysis, further increasing the efficiency of our transit services. Targeted infrastructure investments will maintain the system in a state of good repair, and support future expansion as financial conditions improve. A measured approach to major capital projects will bring some of these long-awaited projects closer to fruition. In every challenge there is an opportunity; I am committed to making the most of the opportunities ahead.



Michael T. Burns
General Manager

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



Budget Guide & Document Organization

The Santa Clara Valley Transportation Authority's Adopted Biennial Budget Book contains numerous financial and statistical schedules as well as general information about the Authority, the area it covers and its organizational structure. The following information is presented to assist the reader in using the budget document efficiently and effectively.

Document Organization

The Adopted Biennial Budget covers two fiscal years (2010 and 2011) and is divided into six sections; Introduction, VTA Transit, 2000 Measure A Transit Improvement Program, Congestion Management Program, VTP Highway Program, and Appendices.

Section One ~ Introduction to VTA

This section is designed to provide the reader with high-level general information about the organizational structure and history as well as the current biennial budget. Included here you will find information about the organization and its structure; information about the board of directors, committees and their structure; the Authority's mission, vision, and values statements; the strategic plan goals of the organization; a description of current services and programs; an overview of the budget development process; and the current board resolution adopting the FY 2010 and FY 2011 biennial budget.

Section Two ~ VTA Transit

The Santa Clara Valley Transportation Authority is an independent public agency responsible for bus and light rail operation, regional commuter and inter-city rail service, Americans with Disabilities Act (ADA) paratransit service, congestion management, specific highway improvement projects and countywide transportation planning. This section presents the transit enterprise activities of VTA, which includes bus and light rail operation, regional commuter and inter-city rail service, and ADA paratransit service.

This section starts with an overview of the major budget assumptions, a comparison statement of revenues and expenses agency-wide and a statement of sources and uses showing the projected change in fund balance. The agency-wide information is then broken down to the division level including the expense budget, division responsibilities and organization charts, staffing levels, accomplishments from previous years, and goals and objectives for the two-year budget period.

The next portion of this section contains information on the VTA Transit Capital Program including a schedule of the FY 2010 and FY 2011 appropriation and project details, as well as a schedule of projected capital carryover.

This section concludes with debt service information including an overview of the debt policy and limits, schedules of outstanding debt, and descriptions of current obligations.

Section Three ~ 2000 Measure A Transit Improvement Program

The 2000 Measure A Transit Improvement Program is a thirty-year plan of major transit improvement capital projects approved by Santa Clara County voters in November 2000. Voter approval of this program included authorization of a thirty-year, one-half cent sales tax with collection beginning April 1, 2006.

This section presents an introduction to the structure and progress to date of the 2000 Measure A Transit Improvement Program. It also includes a comparison statement of revenues and expenses and a statement of sources and uses showing the projected change in fund balance. This is followed by a list of budgeted capital projects with descriptions and funding sources as well as a schedule of projected capital carryover.

The section ends with debt service information including an overview of the debt policy and limits, schedules of outstanding debt, and descriptions of current obligations.

Section Four ~ Congestion Management Program

In 1994 VTA was designated as the Congestion Management Agency (CMA) for Santa Clara County through a joint powers agreement entered into by the fifteen cities and the County of Santa Clara. VTA's Congestion Management Program serves as the CMA for Santa Clara County.

This section presents the activities of the Congestion Management Program starting with an introduction to its structure and purpose. The section goes on to include a comparative schedule of revenues and expenses, statement of sources and uses showing the projected change in fund balance, and a list of members and their budgeted contribution.

Section Five ~ VTP Highway Program

The Valley Transportation Plan (VTP) Highway Program includes highway improvement projects identified in the long-range countywide transportation plan for Santa Clara County (County). VTP 2035 is the current approved long-range countywide transportation plan. VTA enters into construction agreements with cities in the County for various highway projects that are included in VTP 2035.

This section includes an introduction the VTP Highway Program, a list of budgeted capital projects with descriptions and funding source, and a schedule of projected capital carryover.

Section Six ~ Appendices

This section provides the reader with additional information about VTA and the materials included in this document. Information is included on VTA's fiscal policies; job classifications and pay ranges; line item descriptions for revenue and expense categories; 1996 Measure B program; general demographic and economic information on Santa Clara County; a list of acronym definitions; and a glossary of terminology used in the document.

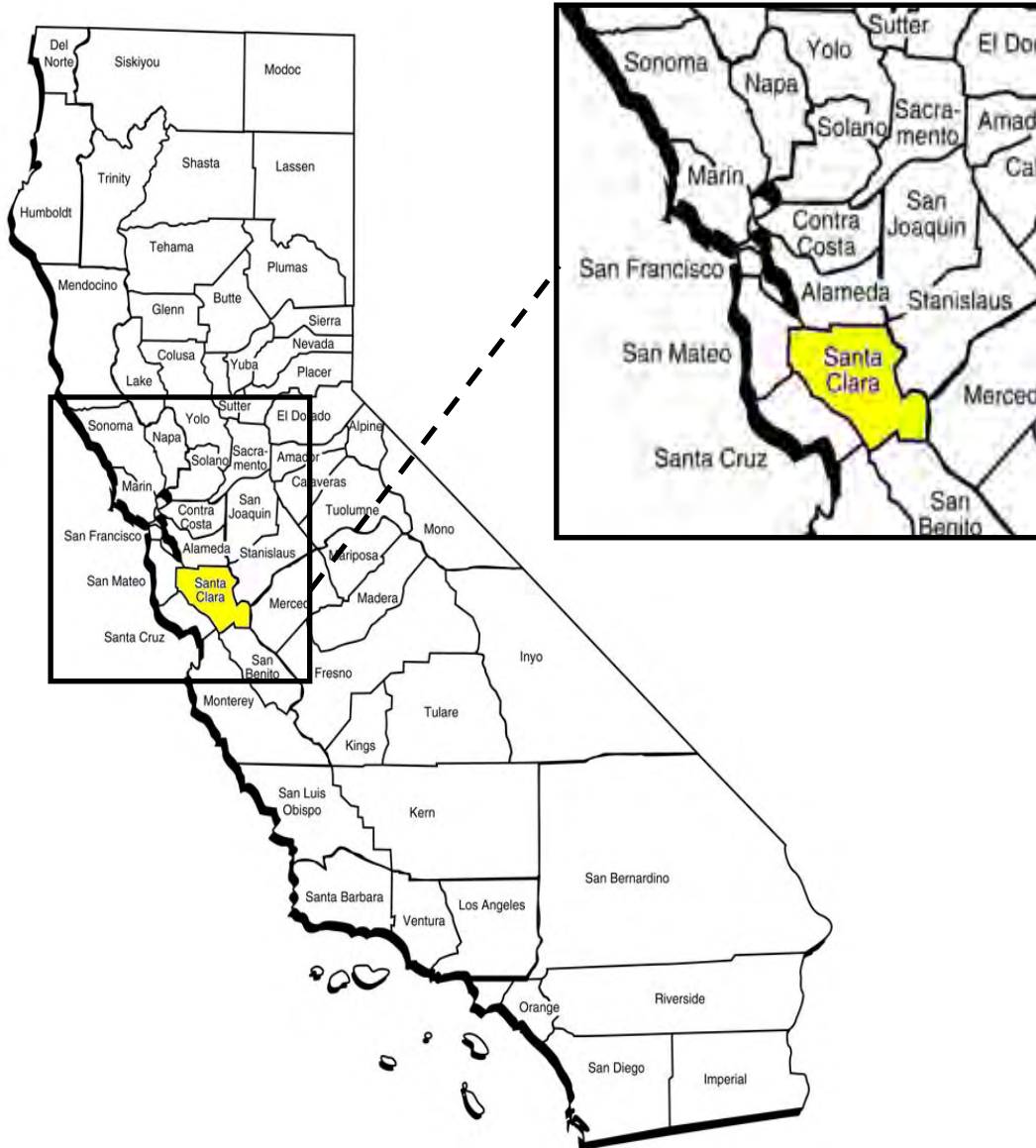
SECTION 1
INTRODUCTION TO VTA



Organization Profile

As an independent special district responsible for bus and light rail operation, regional commuter and inter-city rail service, ADA paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning, Santa Clara Valley Transportation Authority (VTA) provides transit services to the 326 square mile urbanized portion of Santa Clara County that is comprised of 15 cities and towns and unincorporated areas with a total population of more than 1.8 million residents.

The County of Santa Clara lies immediately south of San Francisco Bay and is the sixth most populous county in the State of California. It encompasses an area of approximately 1,300 square miles. The County was incorporated in 1850 as one of the original 27 counties of the State and operates under a home rule charter adopted by County voters in 1950 and amended in 1976. Additional demographic and economic information on the County can be found in Appendix G.



Board of Directors

Membership

VTA is an independent special district governed by its own Board of Directors. The Board consists of 12 voting members and 5 alternates, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. In addition Metropolitan Transportation Commissioners who reside in Santa Clara County and who are not members or alternates of the Board are invited to serve as Ex Officio members. Board membership is based on population of city groupings as follows:

Group Number	Grouping	Representatives
1	San Jose	5 Directors 1 alternate
2	Los Altos Los Altos Hills Mountain View Palo Alto Santa Clara Sunnyvale	3 Directors 1 alternate
3	Campbell Cupertino Los Gatos Monte Sereno Saratoga	1 Director 1 alternate
4	Gilroy Milpitas Morgan Hill	1 Director 1 alternate
5	Santa Clara County	2 Directors 1 alternate
Other	Metropolitan Transportation Commissioners	2 Ex Officio

The 2009 VTA Board of Directors, Alternates and Ex Officio members are listed on the following page.

2009 VTA Board Members

Dolly Sandoval
Chairperson
Council Member
City of Cupertino

Sam Liccardo
Vice Chairperson
Council Member
City of San Jose

David Casas
Council Member
City of Los Altos

Dominic Caserta
Council Member
City of Santa Clara

Donald F. Gage
Supervisor
County of Santa Clara
Board of Supervisors

Rose Herrera
Council Member
City of San Jose

Ash Kalra
Council Member
City of San Jose

Yoriko Kishimoto
Council Member
City of Palo Alto

Liz Kniss
Supervisor
County of Santa Clara
Board of Supervisors

Nancy Pyle
Council Member
City of San Jose

Chuck Reed
Mayor
City of San Jose

Greg Sellers
Council Member
City of Morgan Hill

Board Member Alternates

Nora Campos
Council Member
City of San Jose

Robert Livengood
Mayor
City of Milpitas

Chris Moylan
Council Member
City of Sunnyvale

Chuck Page
Mayor
City of Saratoga

George Shirakawa
Supervisor
County of Santa Clara
Board of Supervisors

Ex Officio Board Members

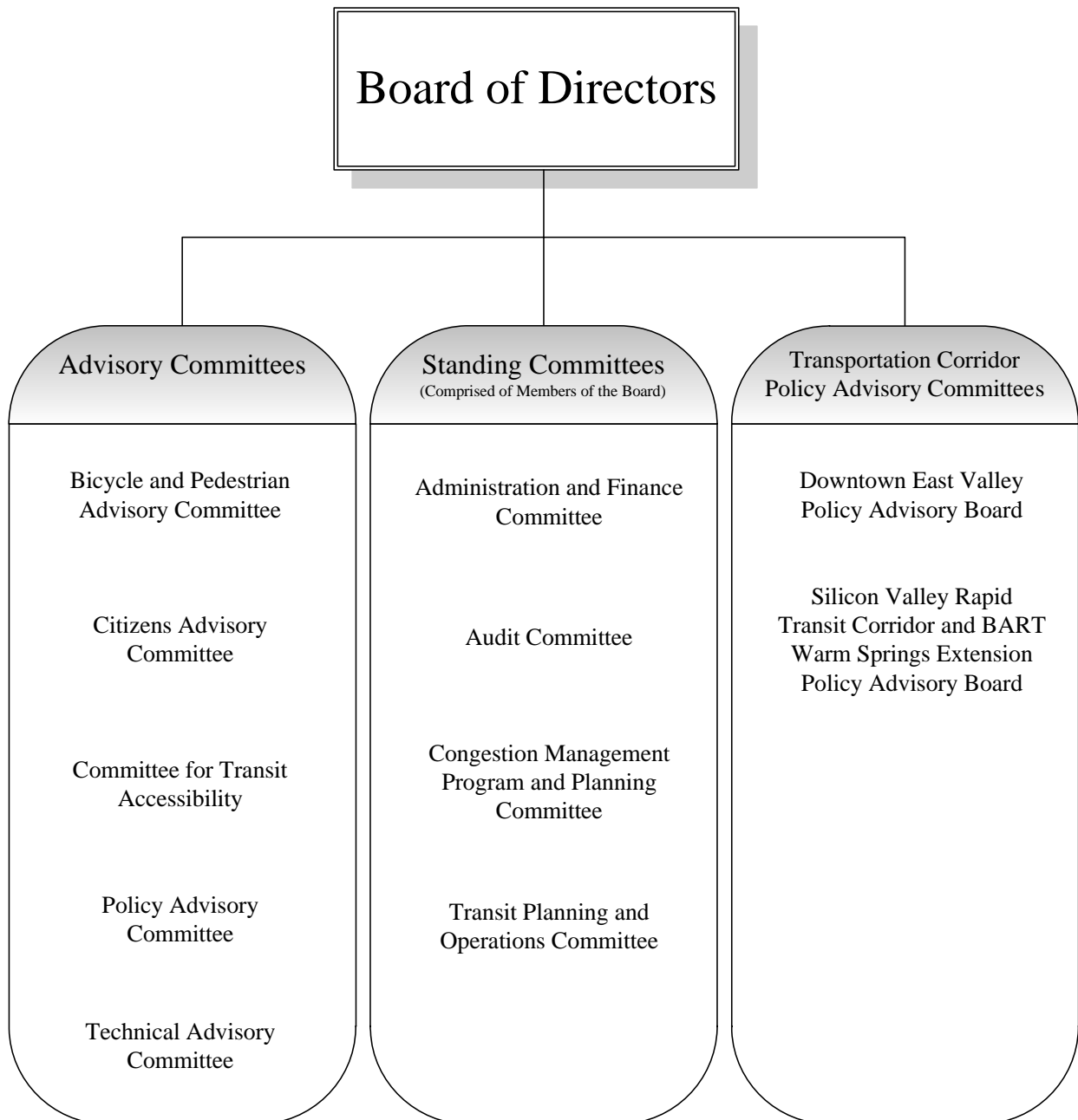
Dean J. Chu
Commissioner
Metropolitan Transportation Commission

Ken Yeager
Commissioner
Metropolitan Transportation Commission

Board of Directors

Committee Structure

Given the range and complexity of policy issues they oversee, the VTA Board of Directors has established a set of committees to advise it on policy matters and to provide for in-depth review of individual issues before the Board of Directors takes final action. The individual committees and their responsibilities are described on the following page.



Standing Committees

The Board Standing Committees meet once a month, with the exception of the Audit Committee which meets quarterly, to review proposed policies. Committee recommendations are forwarded to the full Board of Directors for final approval. Each committee consists of four Board members who are nominated by the Chairperson and appointed by the Board for a term of one calendar year, except as otherwise provided. The general responsibilities of each individual committee are as follows:

Administration and Finance Committee

The Administration and Finance Committee reviews policy recommendations about the general administration of VTA, including administrative policies and procedures, legislative affairs, human resources, and fiscal issues.

Audit Committee

The Audit Committee exercises the Board's fiduciary and oversight responsibilities, including the integrity of VTA's financial statements, compliance with legal and regulatory requirements, and assuring an effective system of internal management and financial controls. The Audit Committee is responsible for selecting the Auditor General and approving the annual audit work plan, and recommends a public accounting firm to conduct the annual financial audit.

Congestion Management Program and Planning Committee

The Congestion Management Program and Planning Committee reviews policy recommendations about the Congestion Management Program and Countywide Transportation Plan, including the integration of transportation and land-use planning, the programming of discretionary state and federal funds, and air-quality planning.

Transit Planning and Operations Committee

The Transit Planning and Operations Committee reviews policy recommendations about transit planning, transit capital projects, transit operations, and marketing.

Advisory Committees

In addition to the Board Standing Committees, the VTA Board of Directors has established a group of advisory committees. These committees, which do not set VTA policy, review policies under development to ensure that they meet the needs of VTA's constituents: customers, elected officials, the business community and others. These committees, which meet once a month, are described below.

Bicycle and Pedestrian Advisory Committee

The committee consists of 16 members representing each of the 15 cities and the County. This committee advises the Board on funding and planning issues for bicycle and pedestrian projects, and serves as the countywide bicycle advisory committee for Santa Clara County.

Citizens Advisory Committee

The committee consists of 17 members representing business, labor, environmental, and other community groups with interest in transportation. The committee advises the Board on issues of interest to the committee's members and the communities they represent and serves as the oversight body for the 2000 Measure A Transit Improvement Program.

Committee for Transit Accessibility

The committee consists of twenty-one voting members and one ex-officio, non-voting member. This committee's members include twelve persons with disabilities, nine representatives of human service agencies within the county, and one ex officio member who is an employee of VTA's paratransit broker. The committee advises the Board on bus and rail accessibility issues, paratransit service, public facilities and programs, and VTA's efforts to fully comply with the federal Americans with Disabilities Act (ADA).

Policy Advisory Committee

The committee consists of one city council member from each of the 15 cities and one member from the Santa Clara County Board of Supervisors. This committee advises the Board on policy issues as well as the countywide transportation plan (Valley Transportation Plan), the Short Range Transit Plan (SRTP), development of the biennial budget, and tariff and service modifications. This committee ensures that all jurisdictions within the county have access to the development of VTA's policies.

Technical Advisory Committee

The committee consists of one staff member (usually the Public Works Director or Planning Director) from each of the 15 cities, the County, and various other local government agencies. In addition, VTA and the California Department of Transportation may each appoint one ex officio and one alternate, non-voting member. The committee advises the Board on technical issues related to transportation.

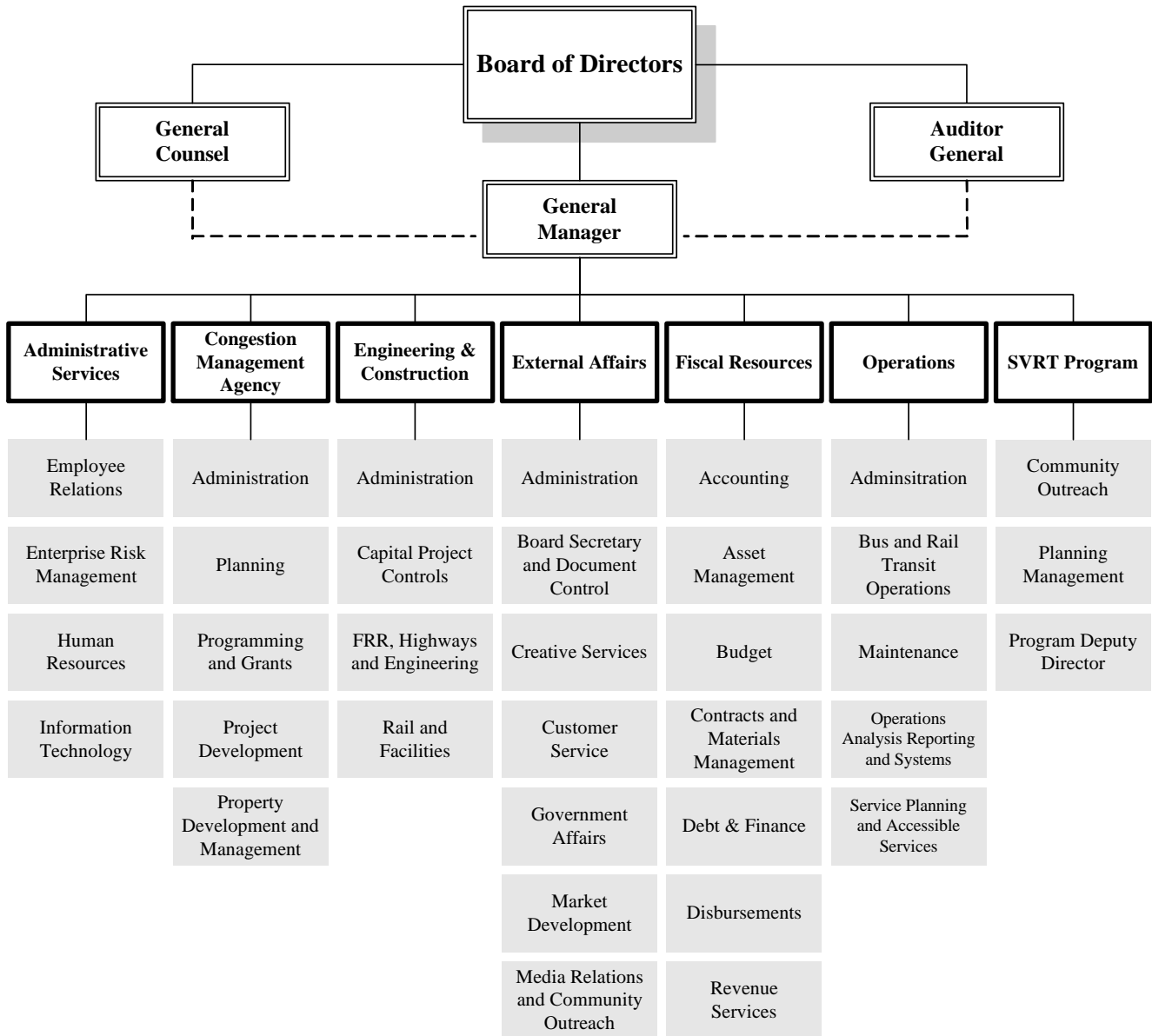
Transit Corridor Policy Advisory Boards

The purpose of these Policy Advisory Boards (PAB) is to ensure that the local jurisdictions affected by major transportation improvement projects are involved in planning, design and construction. Each PAB consists of two Board members and other elected officials from jurisdictions within a particular corridor. There are currently two active PABs:

- Downtown/East Valley Policy Advisory Board
- Silicon Valley Rapid Transit Corridor and BART Warm Springs Extension Policy Advisory Board

Organization Structure

VTA’s broad array of responsibilities and functions are organized into seven divisions as depicted in the organization chart below. With the same responsibilities of a President or Chief Executive Officer, VTA’s General Manager oversees and manages all facets of the organization under policy direction from the Board of Directors. While each division has distinct roles and responsibilities, they work collaboratively to deliver results through an Executive Management Team comprised of the General Manager, General Counsel and Division Chiefs.



Executive Management Team

Michael T. Burns
General Manager

Kevin Allmand
General Counsel

Ann Carey
Executive Assistant to the General Manager

Carolyn Gonot
Chief SVRT Program Officer

Greta Helm
Chief of External Affairs

Jim Lawson
Executive Policy Advisor

William Lopez
Chief Administrative Officer

Gary Miskell
Chief Information Officer

John Ristow
Chief Congestion Management Agency Officer

Mark S. Robinson
Chief Engineering & Construction Officer

Donald Smith
Chief Operating Officer

Joseph T. Smith
Chief Financial Officer

VTA Vision/Mission/Values

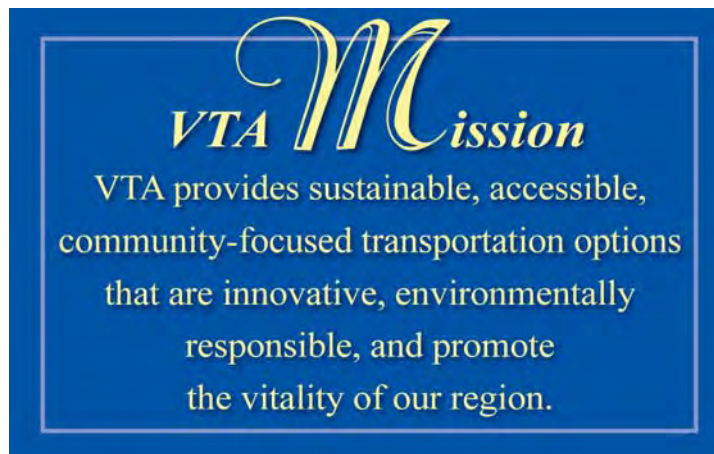
In 2008, VTA adopted new Mission and Vision statements and a set of values that support the vision and mission. Together, these elements represent a philosophical and structural transformation at VTA. They are designed to meet the evolving mobility needs of Santa Clara County and reflect current economic and environmental realities. The Vision, Mission and Values of VTA are presented below.



VTA Vision

VTA builds partnerships to deliver transportation solutions that meet the evolving mobility needs of Santa Clara County.

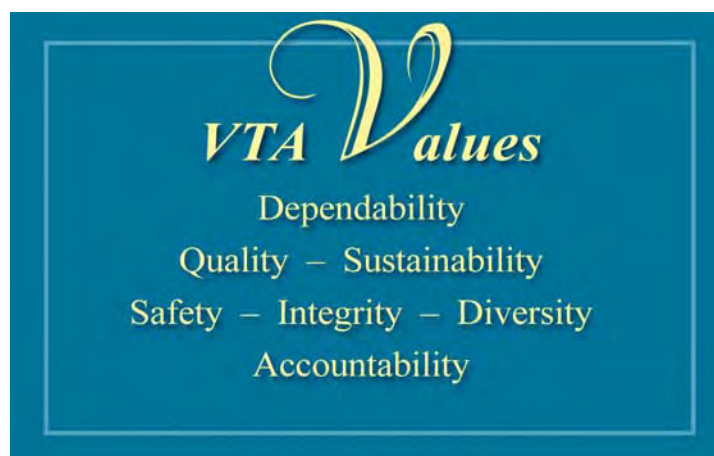
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VTA Mission

VTA provides sustainable, accessible, community-focused transportation options that are innovative, environmentally responsible, and promote the vitality of our region.

The graphic features a blue background with a white double-line border. The text is centered and uses a serif font for the title and a sans-serif font for the description.



VTA Values

Dependability
Quality – Sustainability
Safety – Integrity – Diversity
Accountability

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VTA Strategic Plan Goals

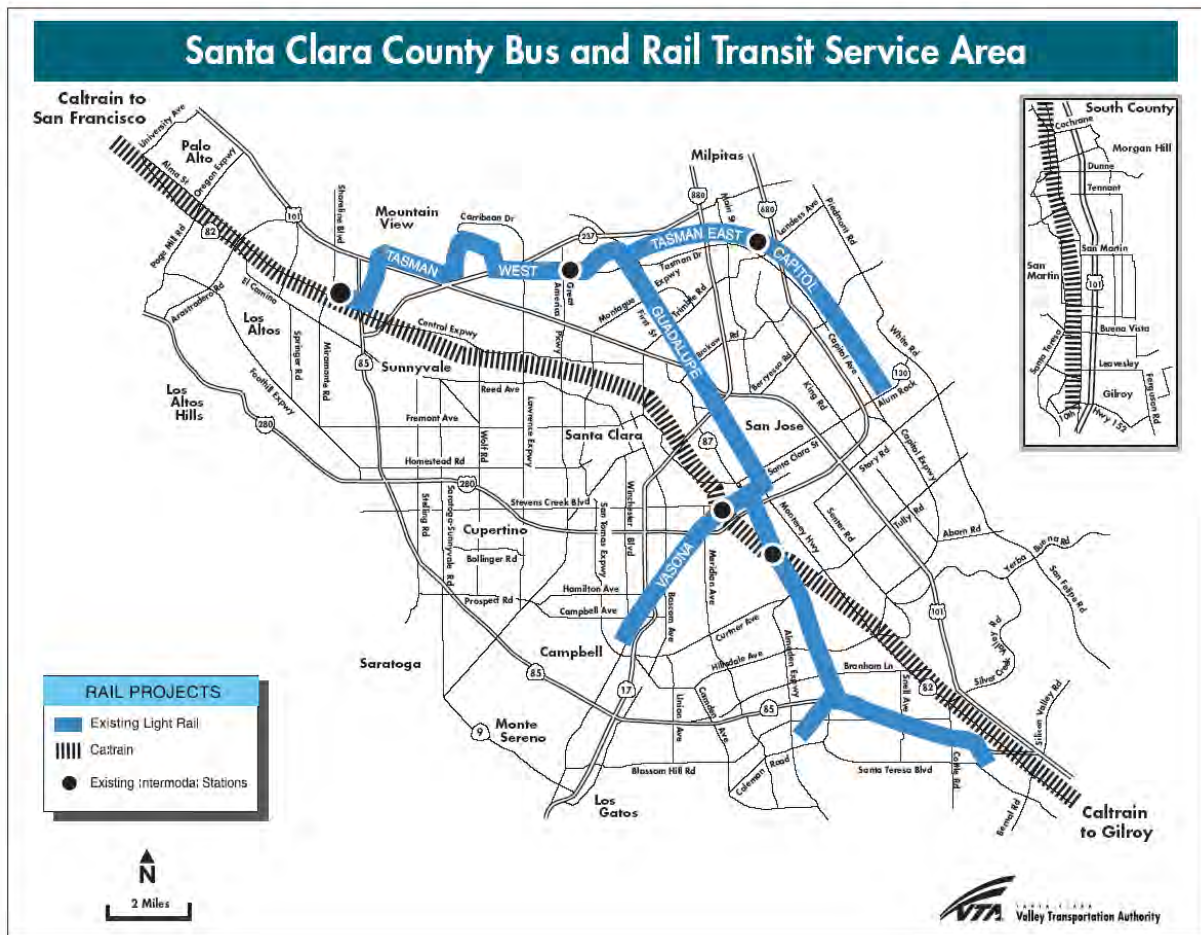
Strategic goals are a fundamental component of any planning process as they provide a framework for the development of strategies to attain VTA's objectives. VTA's Strategic Plan is built on its vision, mission, and values. The Authority has defined eight goals that, taken together, advance VTA's vision and mission.

- 1. Maintain Financial Stability:** The Authority seeks to manage costs, maximize revenues, and balance system expansion with maintenance of existing service.
- 2. Improve Mobility and Access:** VTA will invest resources and services in areas with greatest need, to enhance the quality of life of all residents, including vulnerable populations. VTA will provide a selection of transportation modes to attract choice riders, as well as promote the economic vitality of our region.
- 3. Integrate Transportation and Land Use:** VTA will advance the principles and practices in the Community Design and Transportation Program, and promote transit-oriented development in the county.
- 4. Enhance Customer Focus:** VTA will put customers first by providing safe, reliable, demand-driven service that reflects community input, and promotes the benefits of transit.
- 5. Increase Employee Ownership:** The Authority aims to offer professional development, advancement opportunities, and reward personal investment to make VTA an employer of choice.
- 6. Build Ridership on Transit System:** Increase VTA's operating efficiency, reduce road congestion, and promote sustainability.
- 7. Improve Relationships throughout the County:** Leverage resources, facilitate information sharing, and tap expertise in private and public sector organizations.
- 8. Deliver on Capital Program:** Build projects that compliment and enhance the core services within available resources.

Current Services and Programs

The Santa Clara Valley Transportation Authority (VTA) is an independent special district responsible for bus and light rail operation, regional commuter and inter-city rail service, ADA paratransit service, congestion management, specific highway improvement projects, and countywide transportation planning. As such, VTA is both an accessible transit provider and a multi-modal transportation planning and implementation organization involved with transit, roadways, bikeways, and pedestrian facilities.

VTA operates 75 bus routes and 3 light rail transit (LRT) lines, 2 of which share a portion of the right of way along the main trunk section between Tasman at the northern end and the Transit Mall in downtown San Jose. In addition, VTA funds paratransit and privately operated shuttle services in the County and participates in providing inter-regional commuter rail and express bus services. All of the bus and rail vehicles are accessible for individuals with disabilities.



VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

In January 1995, VTA was designated as the Congestion Management Agency and changed from being exclusively a transit provider to an organization responsible for countywide transportation planning, funding and congestion management within the County. VTA, in partnership with the County of Santa Clara, assumed the responsibility for implementing the 1996 Measure B Transportation Improvement Program of transit and highway improvement projects. In addition, VTA is responsible for implementing the latest voter-approved transportation improvement measure – the 2000 Measure A Transit Improvement Program, an essential element of the Valley Transportation Plan 2035 (VTP 2035).

The following 5 sections provide a summary of VTA's services and programs:

- VTA Transit
- 2000 Measure A Transit Improvement Program
- Congestion Management Program
- VTP Highway Program
- 1996 Measure B Transportation Improvement Program

VTA Transit

Bus Operations

VTA has an active bus fleet of 448 buses powered by clean diesel fuel, which includes 231 low-floor buses and 3 Zero Emission buses. The average age of the active fleet is about 8.4 years with the buses ranging between 1 to 17 years old. There are approximately 3,800 bus stops and 800 shelters along the bus routes. VTA also maintains 8 bus park & ride lots -- 5 owned by VTA and 3 provided under a lease, permit, or joint use agreement with other agencies. Buses are operated and maintained from 3 operating divisions and an Overhaul and Repair (O&R) facility: Cerone Operating Division, Don Pedro Chaboya Operating Division, North Operating Division and Cerone O&R Division.

Community Bus Service

VTA also operates Community Bus Service as part of its bus operations. There are currently 18 Community Bus Routes. This service uses smaller, more fuel-efficient vehicles which allow routes to serve areas that might have not been accessible with larger, standard buses. VTA works closely with the communities in which this service is implemented to design routes and schedules that meet their particular needs. Forty-nine 28' Community Buses are currently in service.

Light Rail Transit (LRT)

VTA operates a 42-mile LRT system connecting the Silicon Valley industrial areas of Mountain View, Sunnyvale, Santa Clara, North San Jose and Milpitas to residential areas in East and South San Jose and Campbell. The LRT system has a total of 62 stations and 21 park & ride lots. It operates on 3 alignments: service between Santa Teresa in South San Jose and Alum Rock in East San Jose, service between downtown Mountain View and the Winchester Station in Campbell, and shuttle service between the Almaden and Ohlone-Chynoweth Stations in South San Jose. A fleet of 99 Kinkisharyo low floor light rail vehicles, stored and maintained at the Guadalupe Operating Division near downtown San Jose, are used to operate these 3 rail lines.

Paratransit Services

VTA implemented a paratransit brokerage system in 1993, which operates throughout the service area. Paratransit service is a specialized form of transportation operated for persons with disabilities who cannot use fixed route public transit service. As an operator of bus and light rail service, the Authority is required under the Americans with Disabilities Act to ensure that paratransit service is provided to eligible individuals with disabilities. The level of service provided must be comparable, in terms of hours of service and area served, to the service provided by the bus and light rail system. The Authority does not directly provide paratransit service but contracts with Outreach and Escort, Inc. (“Outreach”), a paratransit broker. Outreach determines and certifies qualified individuals for paratransit eligibility, receives and schedules trip requests, builds vehicle manifests, and contracts for services with taxi, sedan and accessible van service providers.

Contracted and Interagency Transit Services

VTA is also a partner in various ventures that expand the transportation options for our customers. These relationships include commuter rail, inter-county express bus lines, and rail feeder services. They are operated either by contract or through cooperative agreements. The following is a description of these services:

Peninsula Corridor Joint Powers Board (Caltrain)

Caltrain is a commuter rail service, provided by the Peninsula Corridor Joint Powers Board (PCJPB), which is composed of 3 member agencies: VTA, the San Mateo County Transit District (SamTrans) and the City and County of San Francisco. VTA provides funding for a portion of the operating and capital costs of the Caltrain commuter rail service. Ninety-eight trains (including 22 Baby Bullet Express trains) operate between San Jose Diridon Station and San Francisco each weekday, with 48 of these trains extended to the Tamien Station in San Jose where a connection can be made to the LRT System. Connection to the LRT System can also be made at the Mountain View Caltrain Station. Five peak-hour weekday trains extend south of Tamien station to Gilroy. Hourly weekend service (32 Saturday trains and 28 Sunday trains) is operated between San Jose Diridon Station and San Francisco. There are 31 stations along the line; 15 are located in Santa Clara County. Funding of operating costs is apportioned to each member agency of the PCJPB and is based upon morning peak period boardings that occur in each county. SamTrans manages the service.

Altamont Commuter Express

The Altamont Commuter Express (ACE) is administered and funded under a cooperative agreement among VTA, the Alameda County Congestion Management Agency and the San Joaquin Regional Rail Commission (SJRRC). ACE provides 3 peak hour round trips and 1 midday roundtrip on weekdays from the Central Valley to Santa Clara County. Stations along the 85-mile route are located in Stockton, Lathrop, Tracy, Livermore (2), Pleasanton, Fremont, Great America, and San Jose. The service operates on tracks owned by the Union Pacific railroad. ACE service began in October 1998. The San Joaquin Regional Rail Commission is the owner, operator, and policymaking body for ACE service.

VTA also provides 8 free shuttles to transport ACE riders from the Great America Station to destinations throughout the Silicon Valley. These shuttles are funded by a grant from the Bay Area Air Quality Management District and ACE. Pursuant to the ACE agreement,

funding of operating costs is based on Fiscal Year 2003 contributions, escalated annually by consumer price index increases. SJRRC, California Department of Transportation (Caltrans) and the San Joaquin/Amtrak Intercity Rail Service solely provide funding for the midday service.

Capitol Corridor Intercity Rail Service

VTA is also a member of the Capitol Corridor Joint Powers Authority (Capital Corridor JPA) that provides the Capitol Corridor Intercity Rail Service, which runs 32 week-day trains between Sacramento and Oakland, with 15 continuing to San Jose. Stops are located at stations in Auburn, Rocklin, Roseville, Sacramento, Davis, Suisun/Fairfield, Martinez, Richmond, Berkeley, Emeryville, Oakland (2), Hayward, Fremont, Santa Clara and San Jose. The Capitol Corridor JPA is comprised of VTA, the Sacramento Regional Transit District, the Placer County Transportation Planning Agency, the congestion management agencies of Solano and Yolo Counties and the San Francisco Bay Area Rapid Transit District (BART). Under contract with the Capitol Corridor JPA, BART manages the service and Amtrak operates the service on tracks owned by Union Pacific Railroad. Funding is provided by the State of California.

Inter-County Bus Services

VTA sponsors 3 inter-county bus services through cooperative arrangements with other transit systems:

1. The Dumbarton Express is a transbay express bus route operating between the Union City BART station and Stanford Research Park in Palo Alto. A consortium comprised of representatives from the Alameda-Contra Costa Transit District (AC Transit), BART, the City of Union City, SamTrans, and VTA fund the net operating costs of the service. Each member of the consortium pays a share of the operating expenses based on the origin and destination of the ridership in each agency's service area. AC Transit manages and operates the service.
2. The Highway 17 Express operating between Santa Cruz, Scotts Valley and downtown San Jose is an inter-county bus service operated through a cooperative arrangement between VTA, the Santa Cruz Metropolitan Transit District (METRO), the Capital Corridor JPA and Caltrans. VTA and METRO share the majority of weekday net operating costs equally. The Capital Corridor JPA and Caltrans provide funding for weekend and holiday service and for certain weekday trips. The service is managed and operated by METRO.
3. The Monterey-San Jose Express operates daily from Monterey to San Jose with 3 round trips, covering commute times in the morning, mid-day and evening. The service provides passengers with transfers to and from Capitol Corridor trains that operate between San Jose-Oakland-Sacramento, Caltrain and VTA's bus and light rail services. The service originates in downtown Monterey with other stops in Monterey County before stopping at the Gilroy Caltrain Station, Morgan Hill Caltrain Station, San Jose State University, downtown San Jose and the San Jose Diridon Station. The

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Monterey-San Jose Express a partnership of Monterey-Salinas Transit (MST) the Capitol Corridor JPA and VTA. MST operates and maintains the service.

Rail Shuttle Program

VTA offers financial assistance to employers and entities that wish to operate shuttle bus service between light rail stations and nearby employment/activity centers. The service is operated through a contractor provided by the sponsoring agency. Funding to operate this program is provided by the sponsoring agency, VTA, and grants from the Bay Area Air Quality Management District's Transportation Fund for Clean Air Program.

San Jose Airport Flyer

VTA, in partnership with the City of San Jose, provides free Airport Flyer bus service connecting the Norman Y. Mineta San Jose International Airport terminals and airport employee parking lots with the Authority's Metro/Airport Light Rail Station and the Santa Clara Caltrain Station. The City of San Jose and VTA share the net operating costs for this service.

The Operating and Capital Budgets in support of the programs above can be found in Section 2 - VTA Transit.

2000 Measure A Transit Improvement Program

In August 2000, the VTA Board of Directors approved placing a ballot measure on the November 7, 2000 General Election ballot allowing Santa Clara County voters the opportunity to vote on transit improvements funded by a 30 year half-cent sales tax to take effect after the 1996 Measure B sales tax expired (March 31, 2006) in the county. More than 70% of the voters approved the 2000 Measure A Transit Improvement Program.

Additional information and the Operating and Capital Budgets in support of this program can be found in Section 3 - 2000 Measure A Transit Improvement Program.

Congestion Management Program (CMP)

VTA, as the Congestion Management Agency for Santa Clara County, is responsible for coordinating and prioritizing projects for state and federal transportation funds, administering the Transportation Fund for Clean Air Program, and coordinating land use and other transportation planning.

Additional information and the Operating Budget in support of this program can be found in Section 4 - Congestion Management Program.

VTP Highway Program

The Valley Transportation Plan (VTP) Highway Program includes projects from the currently approved long-range countywide transportation plan for Santa Clara County. The VTP drives overall planning and programming efforts of VTA. VTP 2035 is the current approved long-range County-wide Transportation Plan. Developed by VTA's Congestion Management Program (VTA's CMP) and adopted in January 2009, projects must be included in the plan as a pre-requisite for eligibility to receive Federal, State, regional and local discretionary fund programming.

Additional information and the Capital Budget in support of this program can be found in Section 5 - VTP Highway Program.

1996 Measure B Transportation Improvement Program (MBTIP)

In November 1996, the voters in Santa Clara County approved Measure A, an advisory measure listing an ambitious program of transportation improvements for Santa Clara County. Also approved on the same ballot, Measure B authorized the County Board of Supervisors to collect a nine-year half-cent sales tax for general county purposes. Subsequently, the County Board of Supervisors adopted a resolution dedicating the tax for Measure A projects. Collection of the tax began in April 1997; however, use of the revenue was delayed pending the outcome of litigation challenging the legality of the sales tax. In August 1998, the California courts upheld the tax allowing the implementation of the Measure A transportation projects to move forward.

In February 2000, the VTA Board of Directors approved a Master Agreement formalizing the partnership with the County of Santa Clara to implement the 1996 Measure B Transportation Improvement Program. With this partnership in place, the County and VTA were in a position to complete a transportation program valued at over \$1.4 billion. VTA was responsible for project implementation and management of the transit and highway projects and assisted in the administration of the pavement management and bicycle elements of the program.

The Measure B tax expired on March 31, 2006. There are no new funds appropriated to this program as part of the FY 2010 and FY 2011 budget and it is anticipated that all remaining 1996 MBTIP projects will be completed and closed out by the end of FY 2011.

Additional information on this program can be found in Appendix F.

Operating Budget Development Process

Like VTA's audited financial statements, the biennial budget is developed using the accrual method of accounting. VTA's biennial budget is intended to reflect the business plan of the organization and as such is developed using a "modified zero-base" or "service-level budgeting" approach. The Budget Department takes the first step in the development of the budget by reviewing prior processes and analyzing what worked and what did not, and what has changed in the interim that may impact those procedures. Once this analysis has been completed with changes noted, staff moves forward to develop a draft budget calendar which serves as a timeline guide through to final budget adoption.

Staff then conducts a planning meeting with the General Manager to determine the overall message and strategy for the two-year budget including the identification of major assumptions to be used and the finalizing of the budget calendar. In addition, general budget assumption guidelines are reviewed with the Administration and Finance Committee.

A budget instruction packet is distributed including the above information along with detail instructions and historical line item expense activity to be used by division budget coordinators and cost center managers. In addition, the budget timeline, process, assumptions, and General Manager's budget strategy are reviewed with executive level staff.

Budget requests from all divisions are reviewed by Budget Department staff for reasonableness, accuracy, completeness of information including logic for variance from prior periods, and conformity to the stated business plan or service level. Budget staff then meets with budget coordinators and/or cost center managers from each division to discuss questions or receive further clarification. Upon completion of this initial review, the budget requests are returned to the divisions with Budget Department recommendations.

The divisions are then given an opportunity to review the Budget Department recommendations before submitting their final budget requests. Budget staff reviews the final division budget request and adjusts their recommendations as appropriate, thus completing the Draft Budget. The Draft Budget is then reviewed by the Chief Financial Officer (CFO) and Deputy Director of Accounting and distributed to the division Chiefs in preparation for review of individual division budgets with the General Manager.

Division budget review meetings are scheduled to provide the General Manager an opportunity to review the Draft budget for each division one-on-one with executive management. Upon completion of this review process, the General Manager works with executive staff and the Budget Department to determine changes or recommendations to be included in the Draft Recommended Budget submitted to the Board of Directors.

Concurrent to the staff level budget development process, the CFO and General Manager present monthly updates to the Administration and Finance Committee and periodic updates to various Advisory Committees.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

The Draft Recommended Budget is published and presented at a Board Budget Workshop for input from the Board of Directors and members of the public. Community meetings are also held at various locations throughout the County to receive additional public input and discuss the Draft Recommended Budget. In addition, the Draft Recommended Budget is presented to VTA's Standing and Advisory Committees to receive their input and discussion. The comments received at the community meetings as well as the Standing and Advisory Committee meetings are provided to the Board for their review prior to adoption of the budget.

The Final Recommended budget is presented to the Board for adoption at the regularly scheduled board meeting in June. Board adoption of the budget specifically authorizes the appropriation of funds. This appropriation is the legal authority to spend or otherwise commit VTA's resources. While VTA adopts a biennial budget, each fiscal year is independently appropriated and operating appropriations expire at the end of the fiscal year.

The adopted two-year operating budget is used as the base for the 10-year Short Range Transit Plan (SRTP) as well as VTA's long-range financial forecasting model.

Operating Budget Calendar

Date	Activity
July 22-31, 2008	Review and analyze prior budget processes
September 24, 2008	Planning/Strategy session with General Manager
October 16, 2008	Administration & Finance Committee review of budget assumption guidelines
October 21, 2008	Issue FY 2010 & FY 2011 budget instructions
October 28, 2008	Review budget calendar, process and GM's budget strategy with executive management
November 18, 2008	Division budget requests due to Budget Department
December 1-5, 2008	Division budget review meetings with Budget Department, Division Budget Coordinators and Cost Center Managers
December 9, 2008	Budget Department return budget requests to division with recommendations
December 15, 2008	Division final budget requests due to Budget Department
January 5, 2009	Draft Budget reviewed with CFO and Deputy Director of Accounting
January 20, 2009	Draft Budget distributed to General Manager and executive management
January 27-30, 2009	General Manager, executive management, and budget department staff meet to review and discuss Draft Budget
February 1-April 13, 2009	Draft Recommended Budget finalized
April 17, 2009	Draft Recommended Budget distributed to Board and available to public
April 24, 2009	Board Budget Workshop
May 4-12, 2009	Recommended Budget presented at community meetings
May 13-14, 2009	Recommended Budget presented to Advisory Committees
May 21, 2009	Recommended Budget presented to Standing Committees
June 4, 2009	Final Recommended Budget adopted by VTA Board of Directors

Capital Budget Development Process

The Budget Department takes the first step in the development of the budget by reviewing prior processes and analyzing what worked and what did not, and what has changed in the interim that may impact those procedures. Once this analysis has been completed with changes noted, staff moves forward to develop a draft budget calendar which serves as a timeline guide through to final budget adoption.

A call for projects is issued for all three VTA capital programs; VTA Transit, 2000 Measure A Transit Improvement Program, and the VTP Highway Program. Requests for new projects or augmentations to existing project budgets are submitted using a Capital Project Request Form which includes the following information to assist in project prioritization: project description, detailed funding sources and projected expenditures, project justification, operating cost impacts, regional grant programming category, alternatives and alternative assessment, and impact of deferring the project.

Once the Capital Project Request Forms are received by the Budget Department, requests for all three capital programs are reviewed for completeness and any outstanding questions or issues are resolved with the respective submitting department. In addition the VTA Transit Capital Project Request Forms are reviewed with the Grant's Department to ensure potential grant eligibility.

The completed VTA Transit Capital Project Request Forms are then forwarded to the Capital Improvement Program Oversight Committee (CIPOC) for review. CIPOC, which is comprised of the Division Chiefs and a representative of the General Manager, is responsible for prioritizing the projects and matching the recommended projects with available funding. The purpose of CIPOC's analysis is to develop a cohesive and comprehensive capital improvement program recommendation to the General Manager.

CIPOC's recommended VTA Transit capital projects along with the requested 2000 Measure A Transit Improvement Program and VTP Highway Program projects are reviewed with the General Manager. Upon completion of this review process, the Budget Department staff works with executive management and the General Manager to determine changes or recommendations to the respective capital program budgets. Once the recommended capital programs have been finalized, Budget Department staff incorporates the projects into the Draft Recommended Budget document by including general information about each project, project timing, funding sources for each project, and operating cost impacts.

The Draft Recommended Budget is published and presented at a Board Budget Workshop for input from the Board of Directors and members of the public. Community meetings are also held at various locations throughout the County to receive additional public input and discuss the Draft Recommended Budget. In addition, the Draft Recommended Budget is presented to VTA's Standing and Advisory Committees to receive their input and discussion. The comments received at the community meetings as well as the Standing and Advisory Committee meetings are provided to the Board for their review prior to adoption of the budget.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

The Final Recommended budget is presented to the Board for adoption at the regularly scheduled board meeting in June. Board adoption of the budget specifically authorizes the appropriation of funds. This appropriation is the legal authority to spend or otherwise commit VTA's resources. Capital appropriations, with the exception of the VTA Transit Capital Contingency, do not expire and are carried forward until the project is completed. Appropriation for the VTA Transit Capital Contingency expires at the end of the two-year budget cycle.

The adopted two-year capital budget is used as the base for the 10-year Short Range Transit Plan (SRTP) as well as VTA's long-range financial forecasting model.

Capital Budget Calendar

Date	Activity
July 22-31, 2008	Review and analyze prior budget processes
October 1, 2008	Issue capital call for projects
November 3, 2008	Capital project requests due to Budget Department
December 4, 2008	Submitted capital project requests reviewed with Grants Department
December 8, 2008	CIPOC members asked to rank project priority for VTA Transit capital requests from their Division
January 7, 2009	CIPOC reviews Division VTA Transit capital project priority rankings
January 12, 2009	CIPOC finalizes recommended VTA Transit capital budget
January 27, 2009	General Manager and CIPOC members review recommended VTA Transit capital budget
February 27, 2009	2000 Measure A upcoming two-year capital program activities discussed at Board Workshop
March 1-April 13, 2009	VTA Transit, 2000 Measure A, and VTP Highway capital budgets finalized
April 17, 2009	Draft Recommended Budget distributed to Board and available to public
April 24, 2009	Board Budget Workshop
May 4-12, 2009	Recommended Budget presented at community meetings
May 13-14, 2009	Recommended Budget presented to Advisory Committees
May 21, 2009	Recommended Budget presented to Standing Committees
June 4, 2009	Final Recommended Budget adopted by VTA Board of Directors

Budget Amendment & Transfer Process

Budget Amendment

Definition:

Any increase to the Board authorized appropriation limit thereby allowing greater spending or commitment of resources than previously established by the Board.

Application:

From time to time, circumstances change requiring additional spending authority. Regardless if these changes are accompanied by additional resources, the adopted appropriation limit may not be exceeded without authorization from the Board. The adopted appropriation limit is the total of all expenditures for a specific fund as approved by the Board and specified via the budget resolution.

Authority Required:

Per the VTA Administrative Code, only the VTA Board of Directors can authorize a budget amendment and that authorization requires an affirmative vote by at least eight board members.

Budget Transfer

Definition:

To move line item or project spending authority without increasing the Board authorized appropriation limit including those limits placed on specific funds.

Application:

From time to time, circumstances change wherein total spending authority remains intact; however individual line item or project costs change. Regardless if these changes are accompanied by additional resources, a budget transfer may be necessary to appropriately and accurately reflect cost.

Authority Required:

The General Manager or his/her designee may authorize budget transfers between budget units (e.g. operating and capital budgets), cost groups/objects (e.g. labor and non-labor or between projects), or between divisions within those funds specified in the budget resolution. Division Chiefs may authorize budget transfers between non-labor line items within their respective divisions so long as they do not exceed the appropriated budget for said division.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



Resolution No. 2009.06.16

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)
ADOPTING A BIENNIAL BUDGET OF VTA
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2011
(FY 2010 AND FY 2011)**

WHEREAS:

1. Section 100071(b) of the California Public Utilities Code requires the Board of Directors to adopt an annual budget for VTA.
2. Pursuant to Section 11-2(d) of the VTA Administrative Code, the General Manager has proposed that the Board of Directors adopt a biennial (two-year) budget.
3. The Board of Directors desires to adopt a biennial budget for the period July 1, 2009 through June 30, 2011 (FY 2010 and FY 2011).
4. Pursuant to Section 11-2(a) of the VTA Administrative Code the General Manager presented the FY 2010 and FY 2011 Recommended Budget to the Board of Directors, and mailed a copy to each City Manager in the County of Santa Clara, and to the County Executive prior to May 15, 2009.
5. The Recommended Budget was reviewed by the Administration and Finance Committee on May 21, 2009, and by the Board of Directors on April 24, May 7, and June 4, 2009, and at public meetings conducted throughout the County.
6. The Recommended Budget includes all administrative, operational and capital expenses for the Congestion Management Program together with the apportionment of Congestion Management Program expenses by levy against the Managing Agency and each Member Agency to the extent necessary to fund the Congestion Management Program.
7. A list of employee position classifications and pay ranges is included in the recommended budget, and the amount of funds budgeted for wages, salaries and benefits for FY 2010 and FY 2011 is based upon VTA's position classification and pay ranges and is set forth in the Statement of Revenues and Expenses in the Recommended Budget.
8. The General Manager proposes an Operating Budget for the VTA Transit Enterprise Fund for FY 2010 in the amount of \$353,395,000 and for FY 2011 in the amount of \$359,529,000.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

9. The General Manager proposes a Capital Budget for the VTA Transit Enterprise Fund for FY 2010 in the amount of \$102,481,000 and for FY 2011 in the amount of \$17,228,000.
10. The General Manager proposes an Operating Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2010 in the amount of \$57,718,000 and for FY 2011 in the amount of \$59,277,000.
11. The General Manager proposes a Capital Budget for the 2000 Measure A Transit Improvement Program Fund for FY 2010 in the amount of \$410,606,000.
12. The General Manager proposes an Operating Budget for the Congestion Management Program Fund for FY 2010 in the amount of \$4,870,000 and for FY 2011 in the amount of \$5,572,000.
13. The General Manager proposes a Capital Budget for the VTP Highway Improvement Program Fund for FY 2010 in the amount of \$81,032,000 and for FY 2011 in the amount of \$214,253,000.
14. The General Counsel, pursuant to Section 6-2 of the VTA Administrative Code has prepared and recommended a Budget for the Office of General Counsel for FY 2010 and for FY 2011.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Transportation Authority that:

1. The Recommended Biennial Budget for the Santa Clara Valley Transportation Authority (incorporated herein as though set forth at length), is hereby revised as stated in the attached Board Memorandum and adopted as VTA's budget for FY 2010 and FY 2011.
2. Effective July 1, 2009, positions may be authorized and filled, as required, by the General Manager and General Counsel, as appropriate, provided that total VTA-wide budgeted wages, salaries and benefits account is not exceeded.
3. As necessary for efficient administration, position classifications may be added, modified, or deleted and salary ranges adjusted with the approval of the General Manager or General Counsel, as appropriate, provided that the changes are in accordance with applicable VTA personnel policies and procedures and are consistent with pay practices in the transportation industry. Such changes shall include pay and classification adjustments arising from agreements between VTA and its recognized labor organizations.
4. Capital appropriations, which are not expended during the fiscal year, shall carry over to successive fiscal years until the projects are completed or otherwise terminated.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

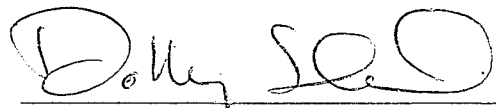
5. The budget shall consist of five Funds: the VTA Transit Enterprise Fund, the Congestion Management Program Fund, the VTP Highway Improvement Program Fund, the 2000 Measure A Transit Improvement Program Fund, and the 1996 Measure B Transportation Improvement Program Fund. The General Manager may reallocate appropriations between budget units and objects within each Fund up to the limits of each Fund's annual appropriation. Any net increase in authorized appropriations to any Fund (including an allocation from reserves) shall require an affirmative vote of at least eight Directors.
6. The Recommended Assessments of member agencies for the Congestion Management Program are hereby approved.

PASSED AND ADOPTED by the Santa Clara Valley Transportation Authority Board of Directors on June 4, 2009 by the following vote:

AYES: Directors; Casas, Kalra, Kishimoto, Kniss, Pyle, Reed, Sellers, Liccardo, Sandoval

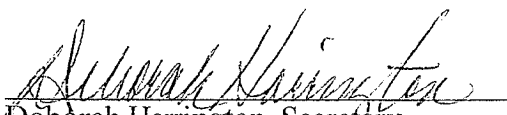
NOES: Directors; None

ABSENT: Directors; Caserta, Gage, Herrera

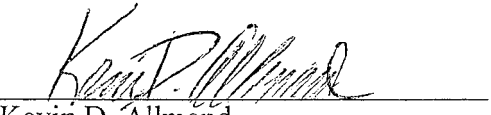


Dolly Sandoval, Chairperson
Santa Clara Valley Transportation Authority

ATTEST:

BY: 
Deborah Harrington, Secretary
Board of Directors

APPROVED AS TO FORM:

BY: 
Kevin D. Allmand
General Counsel

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Appropriation Summary¹
(Dollars in Thousands)

Fund	Fiscal Year 2010	Fiscal Year 2011
VTA Transit-Operating	353,395	359,529
VTA Transit-Capital	102,481	17,228
2000 Measure A Transit Improvement Program-Operating	57,718	59,277
2000 Measure A Transit Improvement Program-Capital	410,606	0
Congestion Management Program-Operating	4,870	5,572
VTP Highway Improvement Program-Capital	81,032	214,253

¹ Includes transfers between funds

Note: The Adopted Biennial Budget does not include appropriation for Fiduciary funds which are used to account for resources held for the benefit of parties outside VTA

SECTION 2
VTA TRANSIT



VTA Transit Operating Budget Assumptions

Service Levels

Bus Service

The 2009 Annual Transit Service Plan was adopted by the VTA Board of Directors on April 2, 2009. The original plan was cost neutral with service hours reallocated from substandard performing routes to other routes which have proven ridership demand. Unfortunately, with the current economic climate, the reduction of state funding for transit and the decline in sales tax revenues, VTA must be cautious with service plan improvements given the need to address the projected operating deficit in the next few years. VTA's priority is to protect existing, well performing services, especially the core network that carries over three-quarters of the daily bus passengers. As such, the Board approved service plan calls for the proposed service reductions on underperforming routes to begin implementation on July 13, 2009. However, the reallocation of service hours to other routes will be deferred until VTA's financial condition improves.

Light Rail Service

On April 6, 2009, VTA reduced the number of cars operating on certain trains to reduce peak fleet requirements, operating hours and expenses. This adjustment was based on using a maximum peak load of 75 passengers per car, an increase from 65 used previously.

The table below shows a comparison of service miles and hours.

Service Levels (In thousands)

	FY08 Actual	FY09 Adopted Budget	FY09 Actual	FY10 Adopted Budget	FY11 Adopted Budget
Service Miles					
Bus	18,711	18,735	18,443	18,470	18,495
Light Rail Train	2,224	2,256	2,217	2,214	2,215
Total Service Miles	20,935	20,991	20,660	20,684	20,710
% change		0.27%	-1.58%	0.12%	0.13%
LR Car Miles	3,630	3,550	3,510	3,436	3,442
% change		-2.20%	-1.13%	-2.11%	0.17%
Service Hours					
Bus	1,384	1,387	1,375	1,387	1,388
Light Rail Train	144	146	143	143	143
Total Service Hours	1,528	1,533	1,518	1,530	1,531
% change		0.33%	-0.98%	0.79%	0.07%
LR Car Hours	212	215	213	209	210
% change		1.42%	-0.93%	-1.88%	0.48%

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

In response to continued declines in sales tax revenues subsequent to adoption of the FY 2010 and FY 2011 budget, VTA staff has prepared a service reduction plan that contains a combined reduction in bus and light rail service hours of approximately 8%. The service reduction plan is scheduled for review by the Board of Directors in October 2009 and if approved would go into effect January 11, 2010.

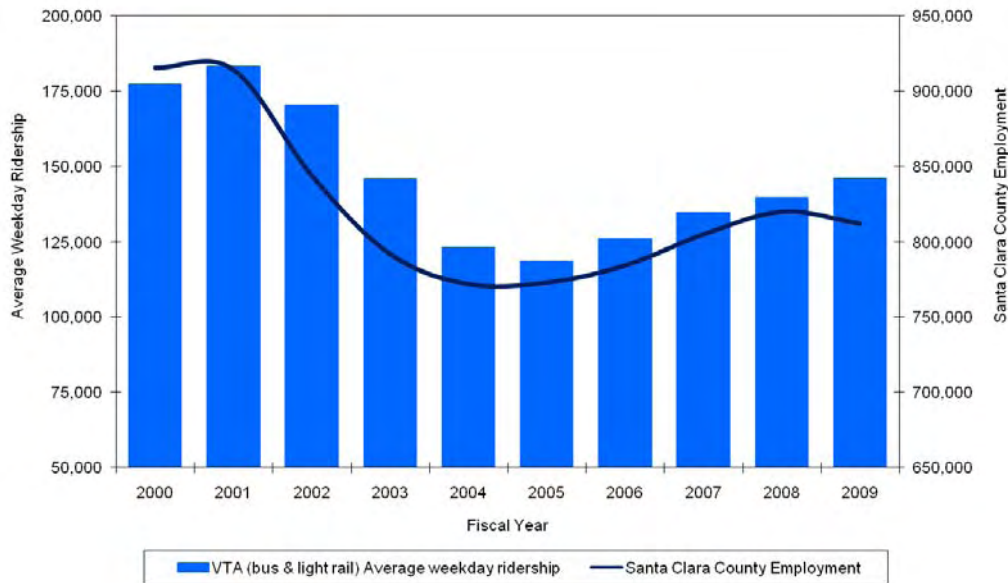
Ridership

VTA continued to experience solid ridership growth through the first three quarters of FY 2009 in spite of the economic downturn and dramatic drop in fuel prices. January 2009 bus average weekday ridership was up 10.5% from the previous year and was the highest January bus average weekday ridership in six years. Through March 2009, total bus ridership had increased 7.0% fiscal year-to-date versus FY 2008. However, beginning in April, the overall economy and specifically unemployment began to negatively affect ridership. Overall for the year, total bus ridership increased 4.2% from FY 2008 levels. The delayed effect of the economy on ridership can be attributed in large part to the implementation of the “New Bus Service” plan in January 2008. This revamped bus system includes more frequent service on many major routes, expanded express bus service and a significant increase in low-fare community bus routes.

While not as dramatic, Light Rail ridership also finished FY 2009 with increased ridership. Total Light Rail ridership for FY 2009 increased 2.7% from FY 2008. Total system ridership increased 3.9% for the year.

As the chart below illustrates, VTA’s ridership is heavily correlated with employment levels in the County.

Average Weekday Ridership and Santa Clara County Employment



VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Even though ridership was trending up at the time the budget was developed, FY 2010 ridership is projected to remain unchanged from FY 2009 levels, due to deteriorating economic conditions. System-wide ridership in FY 2011 is projected to decline approximately 3.2% in response to the adopted fare increase.

Ridership
(In thousands)

Category	FY08 Actual	FY09 Actual	% Var	FY10 Adopted Budget	% Var	FY11 Adopted Budget	% Var
Bus Ridership	33,104	34,509	4.2%	34,900	0.1%	33,800	-3.2%
Light Rail Ridership	10,451	10,754	2.9%	11,000	0.2%	10,650	-3.2%
Total Ridership	43,555	45,263	3.9%	45,900	0.1%	44,450	-3.2%

Revenues

Fares

The Adopted Biennial Budget includes fare increases for implementation January 1, 2010, with a goal of increasing the percentage of operating costs paid by patrons and the average fare revenue per boarding. The fare change includes an increase in Adult, Youth, and Senior/Disabled Single Ride and Community Bus fares by 25¢ effective January 1, 2010. Day pass, Light Rail 8-hour excursion pass, Paratransit fares, and Monthly Pass fares would increase accordingly. Eco Pass rates would increase 20% effective January 1, 2010. These fare increases are projected to cause an initial ridership decline of 3.2%, but an increase in fare revenue of \$4 million per full year of implementation. FY 2010 budgeted revenues reflect an additional \$2 million from the fare increase.

Subsequent to the adoption of the Biennial Budget, the Board of Directors voted to change the effective date of the adopted bus, light rail and paratransit rates and fares from January 1, 2010 to October 1, 2009. This acceleration of implementation is anticipated to result in an additional \$1 million of revenue in FY 2010 that is not reflected in the adopted budget. The Eco Pass fare change effective date remains at January 1, 2010.

The tables on the next two pages reflect the existing and adopted fares now scheduled to go into effect October 1, 2009 and January 1, 2010.

Current vs. Adopted Fixed-Route Fares
Effective October 1, 2009

	Current Fare	Adopted Fare	Change	% Change
ADULT				
Single Ride	\$1.75	\$2.00	\$0.25	14%
Community Bus	\$1.00	\$1.25	\$0.25	25%
Light Rail Excursion Pass	\$3.50	\$4.00	\$0.50	14%
Day Pass	\$5.00	\$6.00	\$1.00	20%
Day Pass Token (bag of 5)	\$22.50	\$27.00	\$4.50	20%
Express Single Ride	\$3.50	\$4.00	\$0.50	14%
Express Day Pass	\$10.00	\$12.00	\$2.00	20%
Monthly Pass	\$61.25	\$70.00	\$8.75	14%
Express Monthly Pass	\$122.50	\$140.00	\$17.50	14%
YOUTH				
Single Ride	\$1.50	\$1.75	\$0.25	17%
Community Bus	\$0.50	\$0.75	\$0.25	50%
Light Rail Excursion Pass	\$3.00	\$3.50	\$0.50	17%
Day Pass	\$4.00	\$5.00	\$1.00	25%
Day Pass Token (bag of 5)	\$18.00	\$22.50	\$4.50	25%
Monthly Pass	\$40.00	\$45.00	\$5.00	13%
SENIOR/DISABLED				
Single Ride	\$0.75	\$1.00	\$0.25	33%
Community Bus	\$0.50	\$0.50	\$0.00	0%
Light Rail Excursion Pass	\$1.50	\$2.00	\$0.50	33%
Day Pass	\$2.00	\$2.50	\$0.50	25%
Monthly Pass	\$20.00	\$25.00	\$5.00	25%

Current vs. Adopted ADA Paratransit Fares
Effective October 1, 2009

Service Type	Current Fare	Adopted Fare
One-Way Trip (2x Adult Base Fare)	\$3.50	\$4.00
Companion (equal to one-way trip)	\$3.50	\$4.00
Open Return Trip (4x one-way trip)	\$7.00	\$16.00
Second Vehicle Sent (4x one-way trip)	\$17.50	\$16.00
No Show (equal to one-way trip)	\$3.50	\$4.00
Same Day Trip (4x one-way trip)	\$14.00	\$16.00
Same Day Trip Companion (4x one-way trip)	\$7.00	\$16.00
Same Day No Show (equal to same day trip)	\$14.00	\$16.00
Extended Service Area (4x one-way trip)	\$10.50	\$16.00

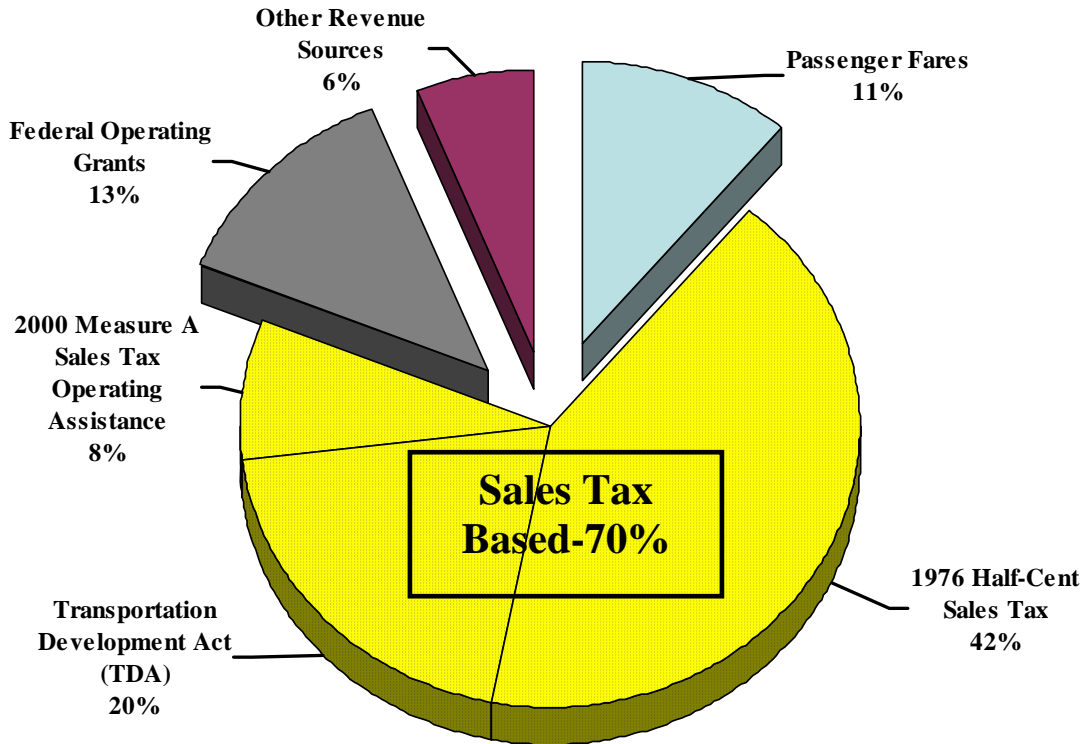
Current vs. Adopted Eco Pass Fares
Effective January 1, 2010
(Annual rate per employee)

Employer and Residential Location/Service Level	1-99 Employees/Residents		100 - 2,999 Employees/Residents		3,000 – 14,999 Employees/Residents		15,000+ Employees/Residents	
	Current	Adopted	Current	Adopted	Current	Adopted	Current	Adopted
Downtown San Jose	\$120.00	\$144.00	\$90.00	\$108.00	\$60.00	\$72.00	\$30.00	\$36.00
Areas served by bus and light rail	\$90.00	\$108.00	\$60.00	\$72.00	\$30.00	\$36.00	\$15.00	\$18.00
Areas served by bus only	\$60.00	\$72.00	\$30.00	\$36.00	\$15.00	\$18.00	\$7.50	\$9.00

Sales Tax Related Revenues

The 1976 half-cent local sales tax and a quarter-cent state sales tax (also known as the Transportation Development Act or TDA) have historically been the two most important income sources to VTA. Beginning in April of 2006, VTA began collection of the 2000 Measure A Transit Improvement Program half-cent sales tax. A portion of the 2000 Measure A tax is used to support VTA operations. As the chart on the following page illustrates, roughly 70% of VTA’s budgeted operating revenues are generated from these sales tax measures, the proceeds from which are driven by the local economy.

FY 2010 and FY 2011 Budgeted Revenues



1976 Half-Cent Sales Tax

VTA experienced the first hint that a recession was looming by the quarter ending September 2007, when 1976 half-cent sales tax revenues declined 0.41% from previous year levels, followed by two quarters of less than 1% growth. In fact, according to the National Bureau of Economic Research, a recession did in fact begin in December 2007.

The fall of housing prices from peak levels have cut deeply into home building and home purchases, and has also caused a sharp rise in mortgage foreclosures. This has resulted in a reduction of wealth and a severe tightening of credit—contributing to a reduction in the amount of spending by business and families.

FY 2008 ended with a 4th quarter decline of 2.7%, followed by declines of 3.9%, 11.1% and 20.9% in the first three quarters, respectively, of FY 2009. As of this writing, current projections reflect a 13.2% decline for the fiscal year.

The adopted budget assumes that declines will continue throughout the next two fiscal years primarily due to projections of continued job loss through December 2010, the reduction of available credit resulting from the decline in home values, general tightening of credit, and a shift in consumer behavior from spending to saving. With reduced home values and tight credit, it is unlikely we will see the same levels of personal consumption,

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

and therefore growth in sales tax revenues, that were experienced in the post-dot.com bust era. FY 2010 reflects an assumed 5% decline from FY 2009 projected sales tax revenues, followed by a 3% decline in FY 2011.

TDA

Transportation Development Act (TDA) funds are derived from a quarter-cent sales tax levied by the State on taxable transactions occurring in Santa Clara County. The Metropolitan Transportation Commission (MTC) retains a portion of these funds for administration and approximately 94.5% is returned to the source county (i.e., Santa Clara).

Because the TDA funds are derived from the same tax base as the 1976 half-cent sales tax, the budgeted estimates are based on the same 5% and 3% declines listed above.

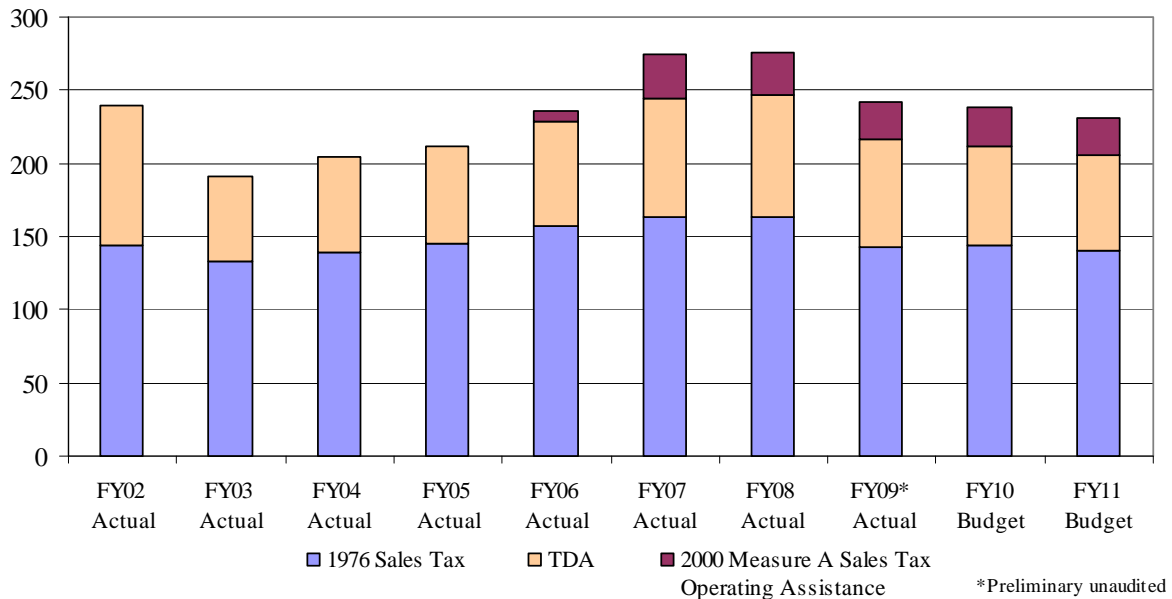
2000 Measure A Sales Tax-Operating Assistance

In November 2000, Santa Clara County voters approved Measure A, which enacted a half-cent sales tax to be collected beginning April 1, 2006 and continuing for a period of 30 years. A portion of this tax is to be used to provide operating assistance for VTA Transit. The Adopted Biennial Budget includes 18.5% of the 2000 Measure A sales tax revenue to be used towards funding VTA operations.

The 2000 Measure A tax is derived from the same taxable sales base as the 1976 half-cent tax and the same two-year decline projections were assumed.

The chart below and table on the following page reflect the eight-year historic and two-year budgeted receipts for these three sales tax based revenues.

Historic Sales Tax Based Revenues
(Dollars in Millions)



Historic Sales Tax Based Revenues
(Dollars in Millions)

Category	FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual ¹	FY10 Budget	FY11 Budget
1976 Sales Tax	144	133	139	145	157	164	163	143	144	140
TDA	95	59	65	67	71	81	84	73	68	66
2000 Measure A Sales Tax Operating Assistance	N/A	N/A	N/A	N/A	7	30	30	26	26	26
Total	239	192	204	212	235	275	277	242	238	232

¹ Preliminary Unaudited

State Transit Assistance (STA)

In February 2009, Gov. Arnold Schwarzenegger and the California Legislature approved an intricate package of bills in an attempt to balance the state’s massive budget gap. This package consisted of tax hikes, borrowing, and spending reductions that impacted every aspect of state government. In the case of transportation, the State Transit Assistance Program (STA), the only state program that provides money to operate bus and rail systems in California, took the brunt of the cuts. For FY 2009, STA funding was sliced in half—from \$306 million to \$153 million. In addition, Gov. Schwarzenegger and the Legislature eliminated all funding for STA for the next four fiscal years. For VTA, this translates to the loss of roughly \$12 million in operating dollars per year for FY 2010 through FY 2013.

The table below shows the eight-year historic and two-year budgeted receipts from STA.

Historic STA Revenue
(Dollars in Thousands)

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual ²	FY10 Budget	FY11 Budget
7,003	6,430	4,417	7,285	7,737	22,321	19,022	5,543	0	0

² Preliminary Unaudited

Federal Operating Grants

The federal operating grants budgeted in FY 2010 and FY 2011 are provided by the use of Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula grant funds for preventive maintenance. Although the FTA Section 5307 program is designed primarily to fund capital acquisitions, funds can also be awarded for preventive maintenance activities. Currently, VTA treats all bus maintenance costs for revenue and non-revenue vehicles as eligible expenditures.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

The Adopted Biennial Budget maximizes the use of Section 5307 funds for preventive maintenance to support operations in an effort to partially offset the loss of sales tax based revenues and STA funding. This results in a reduction of available federal grants to support the capital program. However, VTA is still able to maintain needed capital infrastructure by backfilling the loss in capital Section 5307 grant funding with Federal Stimulus, State Proposition 1B, and debt reduction funds.

The table below shows the eight-year historic and two-year budgeted receipts from federal operating grants.

Historic Federal Operating Grant Revenue
(Dollars in Thousands)

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual¹	FY10 Budget	FY11 Budget
23,811	33,176	38,143	34,416	33,565	35,514	22,425	33,450	50,946	42,626

¹ Preliminary Unaudited

Investment Earnings

The investment earnings are derived from three primary sources; short, mid, and long-term investment portfolios. Pursuant to VTA’s adopted investment policy and California Government Code, 100% of surplus assets are invested in domestic fixed income. All three portfolios are invested by a money manager whose performance is evaluated by comparing actual earnings against the appropriate benchmark for each portfolio’s duration. The estimated earnings rate for these funds is 2.0% in FY 2010 and 3.0% in FY 2011.

Expenses

Labor Costs

The Adopted Biennial Budget assumes that current vacancy rates will be maintained and only those positions deemed critical to maintaining the core mission and service plan will be filled. In addition, 10 vacant positions were deleted as part of the budget development process. As well as maintaining vacancy rates, several other labor saving strategies are employed in the FY 2010 and FY 2011 budget including a two-year wage freeze for all employees and up to 12 unpaid furlough days per fiscal year for executive management and all represented and non-represented administrative staff.

The two tables on the following page show the eight-year historic and two-year budgeted labor costs and the overall staffing levels by division.

Historic Labor Cost
(Dollars in thousands)

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual¹	FY10 Budget	FY11 Budget
219,344	226,525	222,394	229,323	237,998	243,110	240,155	247,671	253,360	255,106

¹ Preliminary Unaudited

Division Staffing Level²

Division	FY08 Total³	FY09 Total⁴	FY10 Total	FY11 Total
Office of the General Manager	4	4	4	4
Office of the General Counsel	10	10	10	10
Administrative Services	114	114	112	112
Congestion Management	62	62	62	62
Engineering and Construction	117	115	113	113
External Affairs	91	91	90	90
Fiscal Resources	109	111	109	109
Operations	1,690	1,680	1,656	1,656
SVRT	8	9	6	6
<i>Grand Total⁵</i>	<i>2,205</i>	<i>2,196</i>	<i>2,162</i>	<i>2,162</i>

² Approved positions including vacancies

³ As of 6/30/08

⁴ As of 6/30/09

⁵ Does not include Long Term Leave positions

Fuel

The budget assumes \$2.00 per gallon (\$2.21 including taxes) for diesel and biodiesel fuel. Assumptions include an average usage rate of 3.8 miles per gallon and 16.8 million miles of service for both FY 2010 and FY 2011. The actual average cost per gallon of diesel, including taxes, was \$3.10 for FY 2008 and \$2.33 for FY 2009. Average annual usage is estimated at approximately 4.4 million gallons.

The budget also assumes \$2.00 per gallon (\$2.38 including taxes) for gasoline for Community Buses, with an average usage rate of 4.4 miles per gallon based on 1.7 million of community bus service miles for both FY 2010 and FY 2011. Average annual usage is estimated at approximately 400,000 gallons.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Paratransit

The Americans with Disabilities Act of 1990 (ADA) requires VTA to provide paratransit service at a level that is comparable to fixed route bus and light rail service. The service is provided for eligible individuals with functional disabilities who are unable to use fixed route service for some or all of their trips. For many years, VTA has been able to provide paratransit customers with premium services that exceed ADA requirements. While customers have paid higher fares for some of these premium services, there is still significant expense to provide these services. The Adopted Biennial Budget includes changes to these premium services in order to contain costs and meet growth needs while aiming to impact the fewest customers possible. In addition, the adopted budget includes standardization of the fare for premium services as shown in the fare tables above.

The table below shows a comparison of paratransit usage and costs.

Paratransit Trips & Costs
(In thousands)

Category	FY08 Actual	FY09 Adopted Budget	FY09 Actual	FY10 Adopted Budget	Var from FY09 Actual	FY11 Adopted Budget	Var from FY10 Budget
Trips	1,055	1,154	1,067	1,090	2.2%	1,123	3.0%
Contracted Cost	\$27,253	\$29,400	\$26,843	\$28,112	4.7%	\$29,976	6.6%
Indirect Cost Allocation	3,454	3,886	4,013	4,020	0.2%	4,287	6.6%
ADA Operating Expense	\$30,707	\$33,286	\$30,856	\$32,132	4.1%	\$34,263	6.6%
Net Cost Per Trip	\$29.11	\$28.84	\$28.92	\$29.48	1.9%	\$30.51	3.5%

Peninsula Corridor Joint Powers Board (PCJPB/Caltrain)

VTA's current contribution to Caltrain is approximately 40% of the net operating expenses, based on a ridership formula included in the Joint Powers Agreement. Due to the current economic situation, the FY 2010 budget reflects no increase from the FY 2009 contribution.

Contingency

The FY 2010 and FY 2011 operating contingency is reduced from \$2 million to \$500,000 per year as part of the effort to reduce the overall budget.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

VTA Transit
Comparison of Revenues and Expenses
(Dollars in Thousands)

Line	Category	FY08 Actual	FY09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
1	Fares	35,830	34,015	36,184	38,533	2,349	6.5%	40,620	2,087	5.4%
2	1976 Half-Cent Sales Tax	163,038	179,531	142,632	144,420	1,788	1.3%	140,088	(4,332)	-3.0%
3	TDA	83,547	84,829	73,356	67,877	(5,479)	-7.5%	65,841	(2,036)	-3.0%
4	Measure A Sales Tax-Oper. Asst.	29,630	33,136	26,244	26,380	136	0.5%	25,588	(792)	-3.0%
5	STA	19,022	9,419	5,543	0	(5,543)	-100.0%	0	0	N/A
6	Federal Operating Grants	22,425	17,084	33,450	50,946	17,496	52.3%	42,626	(8,320)	-16.3%
7	State Operating Grants	1,512	1,333	1,393	2,023	630	45.2%	1,801	(222)	-11.0%
8	Investment Earnings	5,688	5,059	1,290	2,196	906	70.2%	3,295	1,099	50.0%
9	Advertising Income	2,044	1,844	1,964	2,023	59	3.0%	2,025	2	0.1%
10	Other Income	15,351	13,436	15,528	15,202	(326)	-2.1%	14,371	(831)	-5.5%
11	Total Revenue	378,087	379,686	337,584	349,600	12,016	3.6%	336,255	(13,345)	-3.8%
12	Labor Cost	240,155	265,972	247,671	253,360	5,689	2.3%	255,106	1,745	0.7%
13	Materials & Supplies	16,380	17,041	15,430	15,432	2	0.0%	15,216	(216)	-1.4%
14	Security	7,497	7,579	7,642	7,584	(58)	-0.8%	8,019	435	5.7%
15	Professional & Special Services	4,303	5,031	3,764	3,685	(79)	-2.1%	3,752	67	1.8%
16	Other Services	8,309	10,061	8,488	8,016	(472)	-5.6%	8,066	50	0.6%
17	Fuel	14,506	13,914	11,187	10,829	(358)	-3.2%	10,886	57	0.5%
18	Traction Power	3,290	3,735	3,150	3,351	201	6.4%	3,506	155	4.6%
19	Tires	1,387	1,897	1,450	1,597	147	10.1%	1,694	97	6.1%
20	Utilities	2,504	2,509	2,558	2,461	(97)	-3.8%	2,460	(1)	0.0%
21	Insurance	5,278	5,925	5,817	4,847	(970)	-16.7%	5,140	293	6.0%
22	Data Processing	2,910	3,121	2,837	2,694	(143)	-5.0%	2,720	26	1.0%
23	Office Expense	377	436	412	347	(65)	-15.8%	337	(10)	-2.9%
24	Communications	1,073	1,448	1,159	1,039	(120)	-10.4%	1,080	41	3.9%
25	Employee Related Expense	775	1,732	873	828	(45)	-5.2%	792	(36)	-4.3%
26	Leases & Rents	420	477	3,499	512	(2,987)	-85.4%	551	39	7.6%
27	Miscellaneous	969	1,702	718	946	228	31.8%	805	(141)	-14.9%
28	Reimbursements	(47,583)	(53,687)	(47,275)	(41,966)	5,309	-11.2%	(41,095)	870	-2.1%
29	Subtotal Operating Expense	262,550	288,893	269,380	275,563	6,183	2.3%	279,035	3,472	1.3%
30	Paratransit ²	30,707	33,286	30,856	32,132	1,276	4.1%	34,263	2,131	6.6%
31	Caltrain ²	16,089	16,899	15,995	18,179	2,184	13.7%	18,683	504	2.8%
32	Light Rail Shuttles ²	97	547	30	34	4	13.3%	39	5	14.7%
33	Altamont Commuter Express ²	3,912	4,106	3,841	4,509	668	17.4%	4,679	170	3.8%
34	Highway 17 Express ²	383	479	302	411	109	36.1%	428	17	4.1%
35	Dumbarton Express ²	344	505	379	457	78	20.6%	486	29	6.3%
36	Monterey-San Jose ²	60	109	35	46	11	31.4%	51	5	10.9%
37	Contribution to Other Agencies	611	552	1,410	671	(739)	-52.4%	676	5	0.7%
38	Debt Service	22,958	24,358	20,734	20,893	159	0.8%	20,689	(204)	-1.0%
39	Other Expense	2	0	1	0	(1)	-100.0%	0	0	N/A
40	Subtotal Other Expense	75,163	80,841	73,583	77,332	3,749	5.1%	79,994	2,662	3.4%
41	Operating and Other Expense	337,713	369,734	342,963	352,895	9,932	2.9%	359,029	6,134	1.7%
42	Contingency	0	2,000	0	500	500	N/A	500	0	0.0%
43	Contingency Utilization	0	0	0	0	0	N/A	0	0	N/A
44	Total Expense & Contingency	337,713	371,734	342,963	353,395	10,432	3.0%	359,529	6,134	1.7%
45	Surplus/(Deficit) to Reserves	40,374	7,952	(5,379)	(3,795)			(23,274)		

¹ Preliminary Unaudited

² Includes allocation of indirect costs

Note: Totals and subtotals may not be precise due to independent rounding

Major Variances

(Variance in excess of 5% and \$500,000)

Revenues

Fares:

The FY 2010 budget reflects a \$2.3 million increase over FY 2009 actual with an additional increase of \$2.1 million in FY 2011. The Adopted Biennial Budget includes a fare increase of \$0.25 on the current base of \$1.75 effective January, 2010. All other fare media would increase accordingly. In conjunction with this base fare increase, Eco Pass rates will increase 20% also effective January, 2010.

TDA:

TDA receipts are projected to decline by \$5.5 million or 7.5% in FY 2010 versus FY 2009 actual receipts. This decline is a result of the projected continued decline in taxable sales in Santa Clara County as well as an estimated adjustment of FY 2009 overpayments.

STA:

STA receipts are projected to decline by \$5.5 million or 100% in FY 2010 due to the elimination of transit assistance by the California State Legislature for the next four fiscal years.

Federal Operating Grants:

The FY 2010 budget reflects a \$17.5 million or 52.3% increase over FY 2009 actual due to the maximization of FTA Section 5307 funds, including the carryover of some FY 2009 funds, and the utilization of \$2.7 million of American Recovery and Reinvestment Act (ARRA) funds for Preventive Maintenance. The FY 2009 carryover and the ARRA funds are not anticipated in FY 2011. Therefore the FY 2011 budget reflects a \$8.3 million decrease from FY 2010.

State Operating Grants:

The FY 2010 budget shows a \$630 thousand increase from FY 2009 actual due to a state Prop 1B Lifeline grant for community buses in South County.

Investment Earnings:

The FY 2010 budget reflects a \$906 thousand or 70.2% increase from FY 2009 actual with an additional \$1.1M increase projected for FY 2011. FY 2010 and FY 2011 budgeted interest rates are 2.0% and 3.0%, respectively, while the average actual rate for FY 2009 was 4.2%. While the average earnings rate for FY 2009 was higher than the FY 2010 projected rate, the interest income earned was offset by a one-time \$1.7M swap termination payment generated from retirement of the 1985 Equipment Trust Certificates.

Other Income:

FY 2011 budgeted Other Income shows a decrease of \$831 thousand from FY 2010 due to anticipated receipt of insurance proceeds pertaining to a damaged light rail vehicle in FY 2010.

Expenses

Insurance:

FY 2010 budget shows a decrease of \$970 thousand from FY 2009 actual due primarily to a decrease in general liability insurance based on the latest actuarial study offset slightly by an increase in property and casualty insurance. FY 2011 reflects a \$293 thousand increase over FY 2010 due to higher projected property and casualty rates.

Leases & Rents:

FY 2010 budget is \$3.0 million less than FY 2009 actual due to one-time lease termination fees incurred in FY 2009.

Reimbursements:

FY 2010 budget shows a reduction of \$5.3 million from FY 2009 actual. This reduction is due primarily to the completion of the SAP software upgrade project in early FY 2010. This major redeployment of public sector financial software required a large amount of staff time in FY 2009. In addition, the FY 2010 and FY 2011 budgeted reimbursements are based on a historical average hours worked per employee, net of paid leave. Staff in the heavily project related divisions such as Engineering and Construction, Congestion Management Agency, and SVRT, exceeded this average in FY 2009 resulting in a greater number of reimbursable hours charged versus budgeted.

Paratransit:

FY 10 budget reflects a \$1.28 million increase over FY 2009 actual with an additional \$2.1 million increase forecast for FY 2011. These increases are due primarily to a projected 5% growth in number of trips per year.

Caltrain:

The base contract rate for FY 2010 remains unchanged from FY 2009. The FY 2010 budget increase of \$2.18 million over FY 2009 actual is due to a change in the Indirect Cost Allocation Plan (ICAP) rate methodology. This increase in overhead is offset by an increase in reimbursements for the Operations Division. There is no net change to overall expenses.

Altamont Commuter Express:

The FY 2010 budget increases \$668 thousand over FY 2009 actual due to a change in the ICAP rate methodology. This increase in overhead is offset by an increase in reimbursements for the Operations Division. There is no net change to overall expenses.

Contribution to Other Agencies:

FY 2010 budget reflects a decrease of \$739 thousand from prior year actual. FY 2009 includes a \$750 thousand payment to the County of Santa Clara for the cost of two November 2008 election advisory measures related to the 1976 half-cent sales tax.

Contingency:

FY 2010 and FY 2011 operating contingency decreased to \$500 thousand as part of effort to reduce the overall budget.

VTA Transit
Sources and Uses of Funds Summary
(Dollars in Thousands)

<u>Line</u>	<u>Description</u>	<u>FY09 Actual</u> ¹	<u>FY10 Adopted Budget</u>	<u>FY11 Adopted Budget</u>
1	Total Revenues	337,584	349,600	336,255
2	Total Operating Expenses	<u>342,963</u>	<u>353,395</u>	<u>359,529</u>
3	Operating Revenues Over (Under) Expenses	(5,379)	(3,795)	(23,274)
4	Total VTA Transit Capital	49,901	102,481	17,228
5	Less: Funding from Grants & Other Sources	<u>(24,097)</u>	<u>(96,040)</u>	<u>(13,403)</u>
6	VTA Transit Share, drawn from Reserves	25,804	6,441	3,825
7	Beginning Reserves	54,629	49,250	45,455
8	Operating Revenues Over (Under) Expenses	(5,379)	(3,795)	(23,274)
9	From (To) Debt Reduction Fund for Capital	25,804	6,441	3,825
10	VTA Transit Funds, drawn from Reserves for Capital	<u>(25,804)</u>	<u>(6,441)</u>	<u>(3,825)</u>
11	Ending Operating Reserves	49,250	45,455	22,181
12	Operating Reserve % ²	13.2%	12.9%	6.2%

¹ Preliminary Unaudited

² Line 11 divided Adopted Total Operating Expenses

Division Budget Summary
(Dollars in Thousands)

Division	FY08 Actual	FY09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	FY11 Adopted Budget
General Manager	2,717	4,138	2,736	2,583	2,608
General Counsel	1,782	2,162	1,795	1,695	1,708
Administrative Services	25,032	29,471	25,824	23,963	24,579
Congestion Management	6,545	10,007	7,592	7,593	7,574
Engineering & Construction	12,462	15,814	13,524	12,903	13,027
External Affairs	11,025	14,624	10,729	11,770	11,808
Fiscal Resources	13,142	16,002	13,276	12,655	13,128
Operations	289,394	307,574	289,970	300,481	304,669
SVRT	748	919	791	750	756
Non-Departmental	22,449	24,710	24,001	20,970	20,766
Total Expenses	385,296	425,420	390,238	395,361	400,624
Reimbursements	(47,583)	(53,687)	(47,275)	(41,966)	(41,095)
Grand Total	337,713	371,734	342,963	353,395	359,529

¹ Preliminary Unaudited

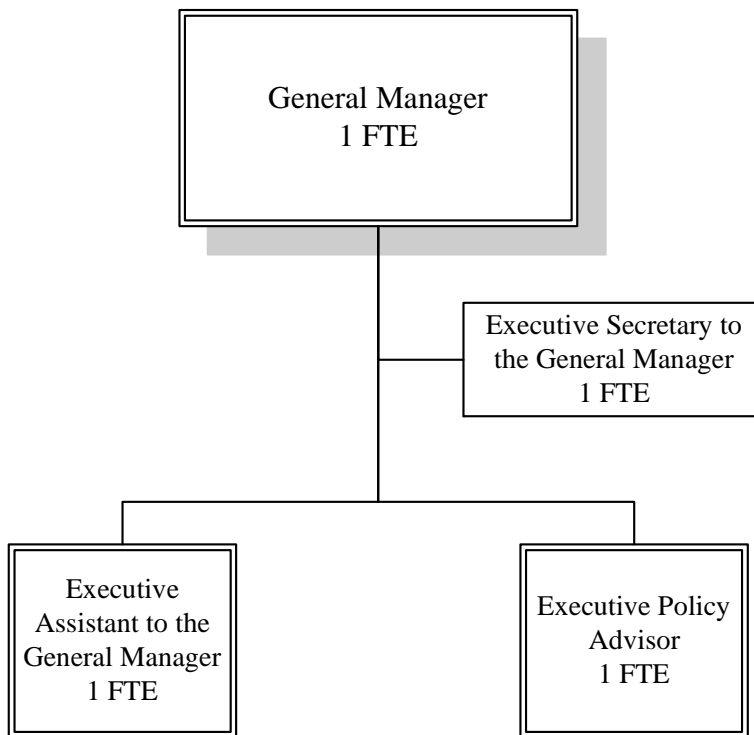
Note: Totals may not be precise due to independent rounding



Office of the General Manager

The General Manager's Office is responsible for the management of VTA according to the policies adopted by the Board of Directors. General duties include the development of program and policy alternatives for consideration by the Board and management of the Authority's staff activities.

4 FTEs
(As of 7/1/09)



*Office of the General Manager
Staffing Level Detail¹*

Job Title	FY08 Total ²	FY09 Total ³	FY10 Total	FY11 Total
Executive Assistant to the GM	1	1	1	1
Executive Policy Advisor	1	1	1	1
Executive Secretary to General Manager	1	1	1	1
General Manager	1	1	1	1
Total	4	4	4	4

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

Staffing Level Changes

No staffing level changes.

Office of the General Manager Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	1,011	936	1,056	1,006	(50)	-4.7%	1,010	5	0.5%
Professional & Special Services	1,021	250	316	484	168	53.2%	481	(3)	-0.6%
Other Services	129	0	32	0	(32)	-100.0%	0	0	N/A
Office Expense	6	3	1	3	2	200.0%	3	0	0.0%
Employee Related Expense	157	455	137	161	24	17.5%	161	0	0.0%
Miscellaneous	121	213	160	138	(22)	-13.8%	152	14	10.1%
Contribution to Other Agencies	272	282	1,035	291	(744)	-71.9%	302	10	3.4%
Contingency	0	2,000	0	500	500	N/A	500	0	0.0%
Total Expense	2,717	4,138	2,736	2,583	(153)	-5.6%	2,608	26	1.0%
Reimbursements	(116)	(196)	0	0	0	N/A	0	0	N/A
Net Total	2,601	3,943	2,736	2,583	(153)	-5.6%	2,608	26	1.0%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2010 budget shows a \$168 thousand increase over FY 2009 due primarily to costs associated Auditor General contract for internal audits.

Contribution to Other Agencies:

FY 2010 budget reflects a decrease of \$744 thousand from prior year actual. FY 2009 includes a \$750 thousand payment to the County of Santa Clara for the cost of two November 2008 election advisory measures related to the 1976 half-cent sales tax.

Contingency:

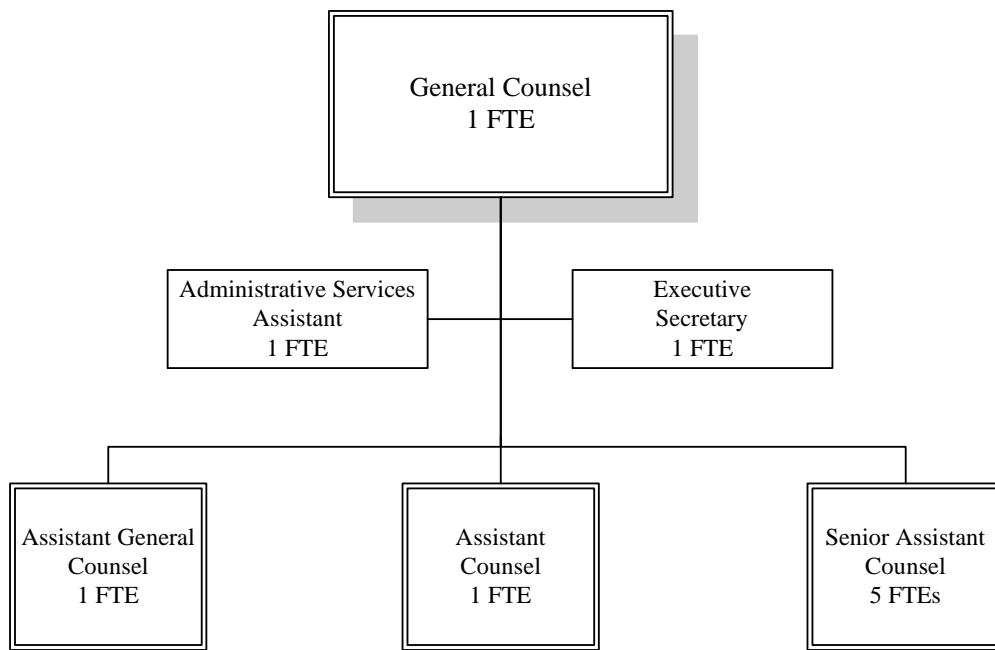
FY 2010 and FY 2011 operating contingency decreased to \$500 thousand as part of effort to reduce the overall budget.



Office of the General Counsel

The General Counsel's Office provides legal advice and counsel to the Board of Directors, the General Manager, and all divisions and departments, with respect to all facets of VTA's operations, including the Congestion Management Program.

10 FTEs
(As of 7/1/09)



*Office of the General Counsel
Staffing Level Detail¹*

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Administrative Services Assistant	1	1	1	1
Assistant Counsel	1	1	1	1
Assistant General Counsel	1	1	1	1
General Counsel	1	1	1	1
Legal Secretary	1	1	1	1
Sr. Assistant Counsel	5	5	5	5
<i>Total</i>	10	10	10	10

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

Staffing Level Changes

No staffing level changes

Office of the General Counsel cont.

FY 2008 & FY 2009 Accomplishments

1. Negotiated, finalized and documented termination of rail service to Frank-Lin, a shipper on the WP Milpitas Line.
2. Negotiated, finalized and documented purchase by VTA of Mitchell Block property in downtown San Jose.
3. Negotiated, finalized and documented sale by VTA of West San Carlos property for development.
4. Handled large number of personal injury cases with successful results.
5. Filed and resolved condemnation actions for Route 152/156 Interchange Project.
6. Provided advice to Operations and Employee Relations and represented VTA in labor arbitrations, employment litigation, discrimination cases and unemployment insurance appeals hearings without expenditures for outside legal fees.
7. Advised VTA staff and obtained regulatory approvals as necessary for charter bus service, waiver of Federal Railroad Administration jurisdiction over light rail operations, and modifications to light rail grade crossings.
8. Advised project and real estate staff on railroad issues and cooperative agreements for the Freight Railroad Relocation Project.
9. Advised VTA staff on environmental clearance, relocation planning and other legal matters pertaining to the SVRT Project.

FY 2010 & FY 2011 Goals

1. Practice preventive law.
2. Enable our clients to achieve their goals.
3. Protect and defend VTA's interests in legal proceedings.
4. Enhance communication within General Counsel's Office.
5. Improve delivery of legal services at VTA.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Office of the General Counsel Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	1,583	1,894	1,552	1,502	(50)	-3.2%	1,511	9	0.6%
Professional & Special Services	164	235	206	161	(45)	-21.8%	163	2	1.2%
Other Services	7	0	4	8	4	100.0%	8	0	0.0%
Office Expense	6	5	7	6	(1)	-14.3%	7	1	16.7%
Communications	0	1	0	0	0	N/A	0	0	N/A
Employee Related Expense	4	5	6	7	1	16.7%	8	1	14.3%
Miscellaneous	17	21	20	12	(8)	-40.0%	13	1	8.3%
Other Expense	2	0	0	0	0	N/A	0	0	N/A
Total Expense	1,782	2,162	1,795	1,695	(100)	-5.6%	1,708	13	0.8%
Reimbursements	(644)	(689)	(653)	(608)	45	-6.9%	(564)	44	-7.2%
Net Total	1,138	1,472	1,142	1,087	(55)	-4.8%	1,144	57	5.2%

¹ Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

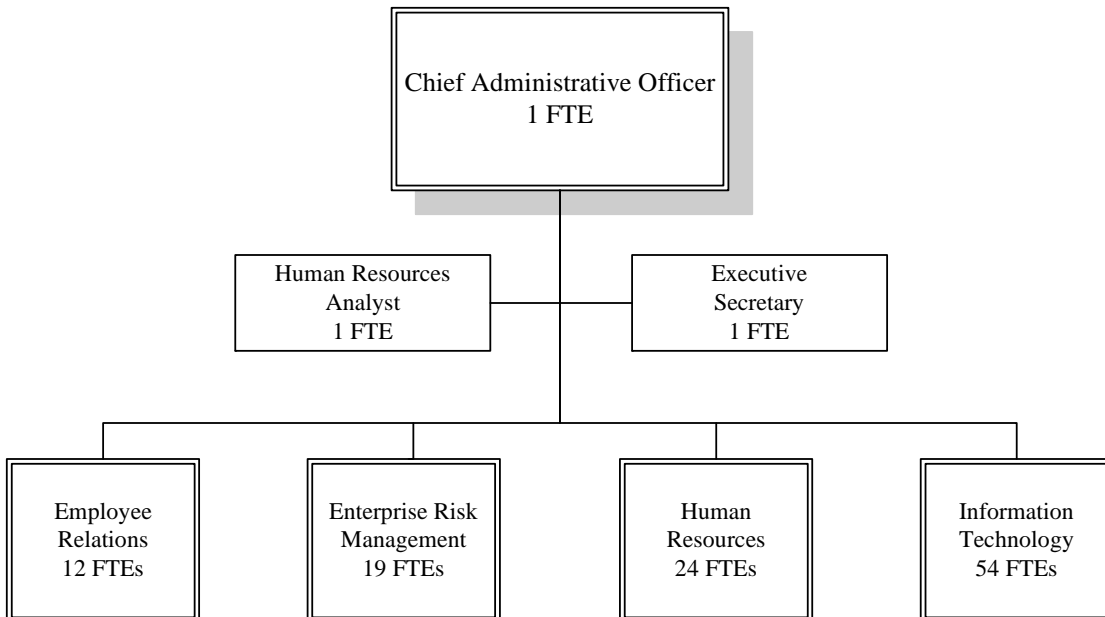
Major Variances
(Variance in excess of 5% and \$100,000)

None

Administrative Services Division

Under the direction of the Chief Administrative Officer, the Administrative Services division is responsible for developing and supporting VTA's human capital and business functions including information technology; employee recruitment, selection, classification, compensation, and benefits; labor relations; organizational development and training; safety; and enterprise risk management.

112 FTEs
(As of 7/1/09)



Administrative Services Division cont.

Department Descriptions

Employee Relations:

Responsible for the coordination of employee training programs, negotiating and administering collective bargaining agreements, and administering VTA's organizational development and training program and Equal Employment Opportunity/Affirmative Action Plan.

Enterprise Risk Management:

Responsible for management of self-insured Workers' Compensation and Liability claims, safety programs, Substance Abuse Control programs, employee assistance programs, and Operations and Construction insurance programs.

Human Resources:

Responsible for recruitment and hiring, classification and compensation, administering employee and retiree benefits programs, and administering deferred compensation, ATU, and CalPERS retirement programs.

Information Technology:

Responsible for management of business and transportation technology systems.

***Administrative Services Division
Staffing Level Detail¹***

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Administrative Services Assistant	4	3	3	3
Associate Claims Analyst	1	1	1	1
Associate Network Analyst	1	1	1	1
Associate Systems Administrator	1	1	1	1
Chief Administrative Officer	1	1	1	1
Chief Information Officer	1	1	1	1
Claims Analyst	2	2	2	2
Claims Supervisor	1	1	1	1
Client Relationship Supervisor	3	2	1	1
Communications Systems Analyst	4	4	4	4
Communications Systems Manager	1	1	1	1
Data Base Administrator	2	2	2	2
Environmental Health & Safety Specialist	2	2	2	2
Environmental Health & Safety Supervisor	1	1	1	1
Executive Secretary	2	2	2	2
Human Resources Administrator	0	1	1	1
Human Resources Analyst	16	16	16	16
Human Resources Assistant	7	7	7	7
Human Resources Manager	2	2	2	2
Information Systems Analyst II	11	10	10	10
Information Systems Supervisor	2	2	2	2
Labor Relations Supervisor	1	1	1	1
Management Aide	0	1	1	1
Management Analyst	1	2	2	2
Management Secretary	3	3	2	2
Network Analyst	1	1	1	1
Office Specialist II	7	7	7	7
Personnel Services Administrator	1	0	0	0
Programmer	3	3	3	3
Programmer Analyst III	8	8	8	8
Project Management Office Supervisor	1	1	1	1
Risk Manager	1	1	1	1
Safety Manager	1	1	1	1
SAP Deployment Manager	1	1	1	1
Sr. Human Resources Analyst	6	6	6	6
Sr. Information Systems Analyst	4	5	5	5

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Systems Administrator	1	1	1	1
Technical Project Manager	3	3	3	3
Technology Infrastructure Supervisor	1	1	1	1
Technology Manager	2	2	2	2
Transit Safety Officer	1	1	1	1
Transit Systems Safety Supervisor	1	1	1	1
Webmaster	1	1	1	1
<i>Total</i>	114	114	112	112

Staffing Level Changes

Two positions deleted as part of the FY 2010 and FY 2011 budget development process: one Management Secretary and one Client Relationship Supervisor.

Administrative Services Division cont.

FY 2008 & FY 2009 Accomplishments

1. Selected and managed the work of an outside firm which conducted management audits of the Third Party Administrators for VTA's Workers Compensation Program and Public Liability Program. Identified and implemented cost saving measures.
2. Designed and implemented the federally mandated National Incident Management System (NIMS) training for designated VTA employees, to prepare the VTA to respond effectively to a catastrophic event in coordination with other responding agencies.
3. Expanded and enhanced VTA technology by upgrading VTA's Enterprise Resource Management system from SAP 4.6C to SAP/ECC 6.0 Public sector and deploying a comprehensive Board and Committee Management automation system (MinuteTraq).
4. Designed and implemented the SAP Super User Program to support users of VTA's new and upgraded Enterprise Resource Management system.
5. Completed negotiations for successor labor contracts with all four of VTA's employee bargaining units.
6. Implemented an automated applicant tracking system enabling applicants to apply for VTA jobs online and to facilitate storage and access of applicant materials and information.
7. Revised and streamlined recruitment and selection procedures to provide greater flexibility to appointing authorities and to speed the hiring process.
8. Developed and implemented a procedure and workflow system for reviewing, approving, and promulgating new or revised policies and procedures.

Administrative Services Division cont.

FY 2010 & FY 2011 Goals

1. Automate administration of mandated Material Data Safety Sheet (MSDS) program for employees potentially exposed to industrial chemicals in the workplace. Provide on-line access with constantly updated information.
2. Deploy a Real Time Information (RTI) system which will provide VTA customers contemporaneous transit information regarding arrival times, travel durations, routes, and other useful information utilizing a variety of messaging systems including electronic signs, cell phones, PDA's and audio announcements.
3. Complete upgrade of VTA Ticket Vending Machines to provide customers with the ability to purchase fares with credit/debit cards, and to add transit value to electronic fare media.
4. Complete upgrade of VTA Server Infrastructure; to include a new Uninterrupted Power System (UPS), email system, and electronic archiving system.
5. Complete upgrade of VTA Network Infrastructure; to include replacement of firewalls, core switches, and River Oaks local area network (LAN).
6. Manage implementation of labor savings programs, e.g. Pay Freezes, Unpaid Employee Furloughs, wage deferrals, and staff reductions, to realize all projected budgetary savings and to ensure compliance with Collective Bargaining Agreements.
7. Complete the user training necessary for the stabilization of the newly installed version of VTA's enterprise information management system, SAP, utilizing in-house expertise via the "Super-users Program". This program will provide ongoing end-user communication, training, and peer-level support for SAP applications.
8. Complete comprehensive legal review of VTA/ATU Pension Plan to ensure compliance with applicable laws and regulations; request and receive IRS Determination Letter if determined necessary by the review.
9. Design and implement an Employee Wellness Program to assist employees in taking charge of their health in an effort to improve employee morale and productivity, and to reduce health care expenses.

Administrative Services Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	13,246	15,462	13,660	13,239	(421)	-3.1%	13,361	122	0.9%
Materials & Supplies	163	15	38	28	(10)	-26.3%	27	(1)	-3.6%
Professional & Special Services	948	915	1,149	799	(350)	-30.5%	828	29	3.6%
Other Services	881	1,482	575	835	260	45.2%	975	140	16.8%
Insurance	5,278	5,925	5,818	4,847	(971)	-16.7%	5,140	293	6.0%
Data Processing	2,896	3,103	2,793	2,638	(155)	-5.5%	2,667	29	1.1%
Office Expense	37	52	45	21	(24)	-53.3%	23	2	9.5%
Communications	1,067	1,440	1,153	1,039	(114)	-9.9%	1,080	41	3.9%
Employee Related Expense	423	974	538	447	(91)	-16.9%	409	(38)	-8.5%
Leases & Rents	74	60	41	51	10	24.4%	49	(2)	-3.9%
Miscellaneous	19	40	14	20	6	42.9%	21	1	5.0%
Total Expense	25,032	29,471	25,824	23,963	(1,861)	-7.2%	24,579	616	2.6%
Reimbursements	(2,353)	(2,927)	(2,972)	(1,113)	1,859	-62.6%	(845)	268	-24.1%
Net Total	22,679	26,544	22,852	22,850	(2)	0.0%	23,734	884	3.9%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2010 budget shows a \$350 thousand decrease from FY 2009 actual due primarily to the elimination of job fairs and other recruitment efforts.

Other Services:

FY 2010 budget shows a \$260 thousand increase over FY 2009 actual with an additional increase for FY 2011 of \$140 thousand due primarily to a planned redesign of the data center in FY 2010 and maintenance on the increased amount of new Closed Circuit Television (CCTV) equipment coming off warranty in both FY 2010 and FY 2011.

Insurance:

FY 2010 budget shows a decrease of \$971 thousand from FY 2009 actual due primarily to a decrease in general liability insurance based on the latest actuarial study offset slightly by an

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

increase in property and casualty insurance. FY 2011 reflects a \$293 thousand increase over FY 2010 due to higher projected property and casualty rates.

Data Processing:

FY 2010 budget shows a decrease of \$155 thousand from FY 2009 actual. This decrease is primarily due to the deferred replacement of older personal computers and other equipment.

Communications:

FY 2010 budget reflects a \$114 thousand decrease from FY 2009 actual due to a decrease in the number of staff assigned personal data/communication devices and lower vendor rates.

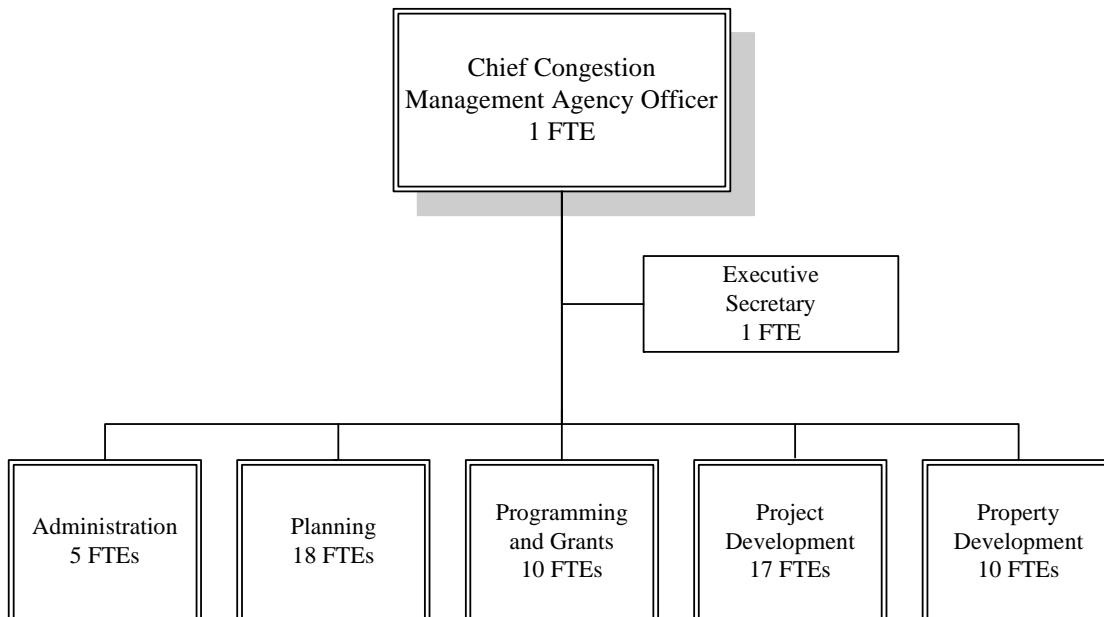
Reimbursements:

FY 2010 budgeted reimbursements are anticipated to decline from FY 2009 actual by \$1.86 million or 62.6%. FY 2011 reflects an additional \$268 thousand decrease from FY 2010. These reductions are due, in large part, to the completion of the SAP software upgrade project in early FY 2010. This major technology project required a large amount of staff time in FY 2009 and the first few months of FY 2010.

Congestion Management Agency Division

Under the direction of the Chief CMA Officer, this division is responsible for conducting all Congestion Management Program and VTA transportation planning activities. The CMA division is responsible for project development activities and project approval. The planning, project development, programming & grants management, and property development & management functions are located in this division.

62 FTEs
(As of 7/1/09)



Congestion Management Agency Division cont.

Department Descriptions

Administration:

Responsible for division budget and personnel administration.

Planning:

Responsible for the planning and conceptual design of all major transit projects as well as the long range planning functions of the Congestion Management Program (CMP).

Programming and Grants:

Responsible for advocating, programming, managing, and ensuring compliance for all federal, state and regional transit and highway grants as well as the programming of funds for the CMP.

Project Development:

Responsible for development phases of capital projects including environmental, preliminary engineering, traffic engineering, and Intelligent Transportation Systems (ITS) engineering as well as the engineering responsibilities of the CMP.

Property Development:

Responsible for the management of VTA's real property assets, acquisition of right-of-way in support of VTA capital projects, and property development.

***Congestion Management Agency Division
Staffing Level Detail¹***

Job Title	FY08 Total ²	FY09 Total ³	FY10 Total	FY11 Total
Associate Real Estate Agent	3	3	3	3
Associate Transportation Engineer	1	1	1	1
Chief Congestion Mgt Agency Officer	1	1	1	1
Deputy Director Programming & Project Development	1	0	0	0
Deputy Director Project Development	0	1	1	1
Deputy Director, Planning	1	1	1	1
Deputy Director, Property Dev & Mgt	1	1	1	1
Environmental Planner	3	0	0	0
Environmental Planner III	0	2	2	2
Executive Secretary	2	2	2	2
Management Analyst	3	3	3	3
Manager, Real Estate & Project Admin	1	1	1	1
Office Specialist II	3	3	3	3
Principal Transportation Planner	3	3	3	3
Secretary	1	1	1	1
Sr. Environmental Planner	3	4	4	4
Sr. Management Analyst	3	2	2	2
Sr. Real Estate Agent	3	3	3	3
Sr. Transportation Engineer	1	1	1	1
Sr. Transportation Planner	11	12	12	12
Transportation Engineering Manager	1	1	1	1
Transportation Planner III	11	11	11	11
Transportation Planning Aide	1	1	1	1
Transportation Planning Manager	4	4	4	4
<i>Total</i>	62	62	62	62

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

Staffing Level Changes

No staffing level changes.

Congestion Management Agency Division cont.

FY 2008 & FY 2009 Accomplishments

1. Successfully coordinated Federal & State Economic Stimulus funding project submittals for VTA and local agencies.
2. Coordinated adoption of Valley Transportation Plan (VTP) 2035 to guide transportation planning and investment in Santa Clara County over next 25 years.
3. Completed Bus Rapid Transit (BRT) Strategic Plan to guide major new transit service initiative in Santa Clara County.
4. Coordinated adoption of the Countywide Bicycle Plan and updated Bicycle Expenditure Program (BEP) prioritizing over \$140 million in bike projects throughout Santa Clara County.
5. Completed Preliminary Engineering and Environmental Approval phases of Proposition 1B State Highway projects on US 101 in Palo Alto and Mountain View, I-880 in San Jose and Milpitas and US 101 in San Jose.
6. Coordinated approval of Silicon Valley Express Lanes Program for High Occupancy Toll lanes in Santa Clara County.
7. Coordinated approval of Memorandum of Understanding for ramp metering implementation in Santa Clara County and implementation of ramp metering on SR 87 and SR 85.
8. Completed and received Federal Highway Administration (FHWA) approval of Systems Engineering Management Plans (SEMPs) for VTA Rapid 522 Bus Signal Priority System Upgrade and Real-time Transit Information (RTI) Project.
9. Completed the administrative draft for the SVRT Project federal Environmental Impact Statement (EIS) for submittal to the Federal Transit Administration (FTA).
10. Completed the Environmental Impact Report (EIR) for Santa Clara Alum Rock BRT Project.
11. Completed major revision of Joint Development Program Policy and Procedures to guide future disposition and development of VTA owned real estate assets.
12. Completed update and standardization of all right-of-way acquisition policies, procedures documents, forms and processes.
13. Completed 2008 CMP Monitoring and Conformance Report.
14. Developed 25-Year Revenue Plan allowing inclusion of the complete Measure A program as well as the VTP 2035 Highway, Expressway, Local Streets & Roads, Bicycle and Community Design & Transportation programs in the fiscally constrained 2009 Regional Transportation Plan.

Congestion Management Agency Division cont.

FY 2010 & FY 2011 Goals

1. Complete the Light Rail Transit (LRT) Systems Analysis Study to improve operations and efficiency of system.
2. Initiate next phases of project development on Santa Clara-Alum Rock and El Camino Real BRT Projects.
3. Coordination of High Speed Rail Project for Santa Clara County including development of VTA work plan identifying technical resources needed to address impacts to VTA facilities, properties and projects.
4. Complete enhancements to the Land Use/ Transportation Coordination with local agencies including the Pro-Active Development Review Program and regional coordination of implementation of SB 375.
5. Coordinate adoption of a Joint Development Property Portfolio & Priority Development Schedule.
6. Coordinate adoption and implementation of a Property Management Program to enhance revenue potential for third-party use of VTA real estate assets.
7. Secure FTA approval of EIS Record of Decision for Silicon Valley Rapid Transit Project (SVRT).
8. Begin operation of SR 237 Express Connectors.
9. Continue to “Grow the Pie” by securing new grant revenue sources for projects.

Congestion Management Agency Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	6,312	9,552	7,480	7,267	(213)	-2.8%	7,320	53	0.7%
Professional & Special Services	170	341	43	268	225	523.3%	196	(72)	-26.9%
Other Services	18	41	12	7	(5)	-41.7%	7	0	0.0%
Data Processing	4	0	0	0	N/A	0.0%	0	0	N/A
Office Expense	17	31	28	17	(11)	-39.3%	18	1	5.9%
Employee Related Expense	10	18	7	11	4	57.1%	11	0	0.0%
Miscellaneous	13	24	21	23	2	9.5%	23	0	0.0%
Total Expense	6,545	10,007	7,592	7,593	1	0.0%	7,574	(19)	-0.3%
Reimbursements	(7,684)	(7,633)	(9,390)	(9,287)	103	-1.1%	(9,050)	237	-2.6%
Net Total	(1,139)	2,374	(1,798)	(1,694)	104	-5.8%	(1,476)	218	-12.9%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

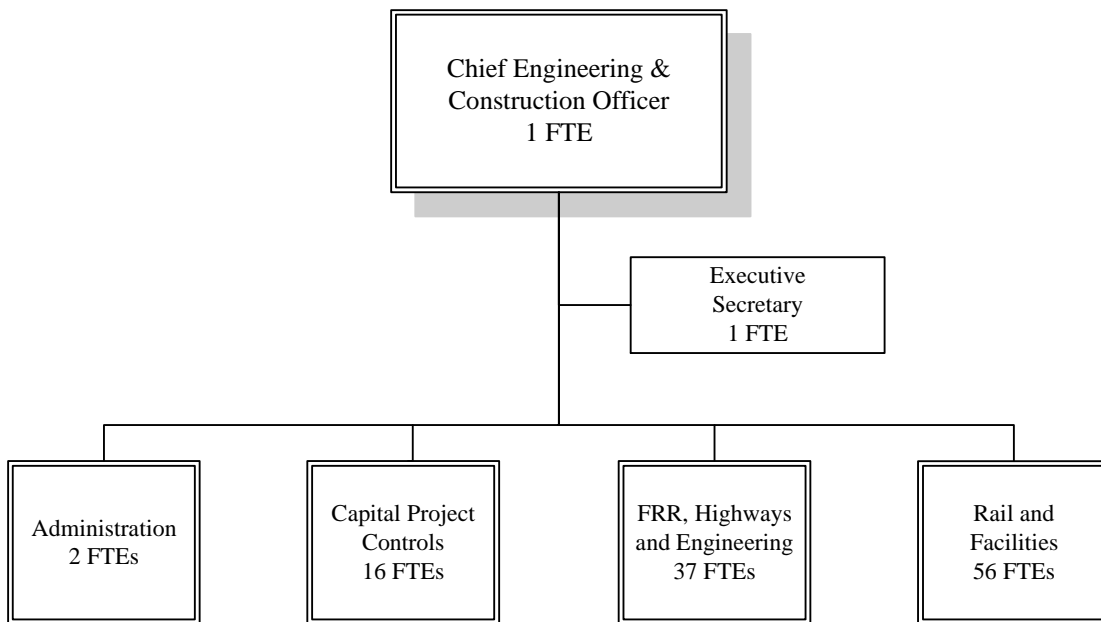
Professional & Special Services:

FY 2010 budget reflects a \$255 thousand increase over FY 2009 actual due to increased joint development program activities.

Engineering & Construction Division

Under the direction of the Chief Engineering & Construction Officer, this division is responsible for the design of VTA projects once project development is complete and the project is approved and funded. The division is responsible for design and construction through turnover of the facility to VTA or the appropriate agency.

113 FTEs
(As of 7/1/09)



Engineering & Construction Division cont.

Department Descriptions

Administration:

Responsible for division budget and personnel administration.

Capital Project Controls:

Responsible for managing cost and schedule reporting on major capital projects, and maintaining project controls software tools for reporting costs and tracking changes that are integrated into VTA's SAP enterprise software.

FRR, Highways and Engineering:

Responsible for managing the design and construction of the Freight Railroad Relocation (FRR) activities and highway projects, and for providing engineering services including utility, survey, right-of-way engineering, hazardous material, and permitting support services to all VTA capital projects.

Rail and Facilities:

Responsible for managing the design and construction of rail projects, including rehabilitation projects on the existing system and light rail expansion projects, and facilities projects involving the VTA bus and rail yards, and for providing construction inspection services to all VTA capital projects.

***Engineering & Construction Division
Staffing Level Detail¹***

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Assistant Architect	1	1	1	1
Assistant Civil Engineer	1	1	1	1
Assistant Transportation Engineer	12	12	12	12
Associate Architect	2	2	2	2
Associate Civil Engineer	2	2	2	2
Associate Electrical Engineer	1	1	1	1
Associate Land Surveyor	1	1	1	1
Associate Mechanical Engineer	2	2	2	2
Associate Systems Design Engineer	2	2	2	2
Associate Transportation Engineer	4	4	4	4
Business Relations Manager	1	1	1	1
Chief Engineering & Construction Officer	1	1	1	1
Construction Inspector	12	12	10	10
Cost & Schedule Coordinator	1	1	1	1
Deputy Director, Construction	2	2	2	2
Design & Construction Manager	1	1	1	1
Document Control Clerk II	3	3	3	3
Engineering Aide	4	4	4	4
Engineering Group Manager	2	3	3	3
Engineering Technician I	1	0	0	0
Engineering Technician II	3	3	3	3
Engineering Technician III	2	2	2	2
Executive Secretary	2	2	2	2
Management Analyst	2	2	2	2
Manager - Construction Inspection	1	1	1	1
Office Specialist II	10	9	9	9
Office Support Supervisor	3	3	3	3
Permit Technician	0	1	1	1
Principal Construction Inspector	1	1	1	1
Principal Transportation Planner	1	1	1	1
Project Controls Manager	1	1	1	1
Project Controls Specialist II	4	4	4	4
Quality Assurance & Warranty Manager	1	1	1	1
Secretary	2	2	2	2
Sr. Architect	3	3	3	3
Sr. Construction Inspector	6	5	5	5

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Sr. Construction Inspector - Lead	2	2	2	2
Sr. Cost & Schedule Coordinator	1	1	1	1
Sr. Environmental Engineer	1	1	1	1
Sr. Land Surveyor	1	1	1	1
Sr. Management Analyst	1	1	1	1
Sr. Systems Design Engineer	1	1	1	1
Sr. Transportation Engineer	2	2	2	2
Survey and Mapping Manager	1	1	1	1
Systems Design Manager	1	1	1	1
Transportation Engineering Manager	5	4	4	4
Utilities Coordination Manager	1	1	1	1
Utility Coordinator	2	2	2	2
<i>Total</i>	117	115	113	113

Staffing Level Changes

Two Construction Inspector positions deleted as part of the FY 2010 and FY 2011 budget development process.

Engineering & Construction Division cont.

FY 2008 & FY 2009 Accomplishments

1. Completed Facilities construction contracts within an average of 15% of the contract award amounts and Transit and Highway construction contracts within an average of 12%.
2. Resolved De Anza Transit Center design issues with De Anza College administration and completed construction in May 2009.
3. Completed South Line Platform Retrofit construction in May 2009.
4. Completed Transit Mall Track Rehabilitation construction in December 2008.
5. Commenced construction of the Route 87 HOV highway planting in September 2008.
6. Completed Route 85/101 North Interchange highway planting in July 2007.
7. Completed Route 17 highway planting in October 2007.
8. Opened bid for Caltrain South County Improvements (Phase I) in December 2008.
9. Completed 65% Engineering for SVRT Project in December 2008.
10. Initiated utility relocation work for Mission Warren Truck Rail in summer 2009.
11. Completed 95% Engineering for Capitol Expressway LRT September 2008.
12. Completed construction of Route 152/156 Improvement Project in August 2008.

Engineering & Construction Division cont.

FY 2010 & FY 2011 Goals

1. Complete facilities construction contracts within an average of 15% above contract award amounts.
2. Complete Rail Transit and Highway construction contracts within an average of 12% above the contract award amounts.
3. Complete replacement of three Traction Power Substations by late 2010.
4. Rehabilitate priority section of Overhead Catenary System wire by mid 2011.
5. Complete rail rehabilitation at Almaden and Market crossings by late 2009.
6. Complete design, property acquisition and utility relocation and begin civil construction for Downtown East Valley (DTEV) – Capital Expressway LRT Project - Pedestrian Improvements - by mid 2011.
7. Complete construction of Blossom Hill Pedestrian Grade Separation by spring 2011.
8. Initiate SVRT Final Design by late 2010.
9. Start construction of Route 101 Operational Improvements by January 2010.
10. Complete Final Design for 101 Auxiliary Lanes by spring 2011.
11. Complete Final Design on Route 880 Widening by spring 2011.
12. Begin construction of I-280/I-880/Stevens Creek Blvd - Phase 1 Improvement.

Engineering & Construction Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	12,424	15,706	13,464	12,832	(632)	-4.7%	12,955	123	1.0%
Materials & Supplies	1	4	1	1	0	0.0%	1	0	0.0%
Professional & Special Services	5	55	30	42	12	40.0%	42	0	0.0%
Other Services	7	7	0	0	0	N/A	0	0	N/A
Data Processing	0	0	0	1	1	N/A	1	0	0.0%
Office Expense	11	16	13	10	(3)	-23.1%	10	0	0.0%
Employee Related Expense	9	16	9	10	1	11.1%	10	0	0.0%
Miscellaneous	5	9	6	8	2	33.3%	8	0	0.0%
Total Expense	12,462	15,814	13,524	12,903	(621)	-4.6%	13,027	123	1.0%
Reimbursements	(23,676)	(31,540)	(19,170)	(17,508)	1,662	-8.7%	(17,377)	130	-0.7%
Net Total	(11,214)	(15,726)	(5,646)	(4,604)	1,042	-18.5%	(4,351)	253	-5.5%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Reimbursements:

FY 2010 budget shows a reduction of \$1.66 million or 8.7% from FY 2009 actual. FY 2010 and FY 2011 budgeted reimbursements are based on a historical average hours worked per employee, net of paid leave. Staff exceeded this average in FY 2009 resulting in a greater number of reimbursable hours charged versus those budgeted in FY 2010.

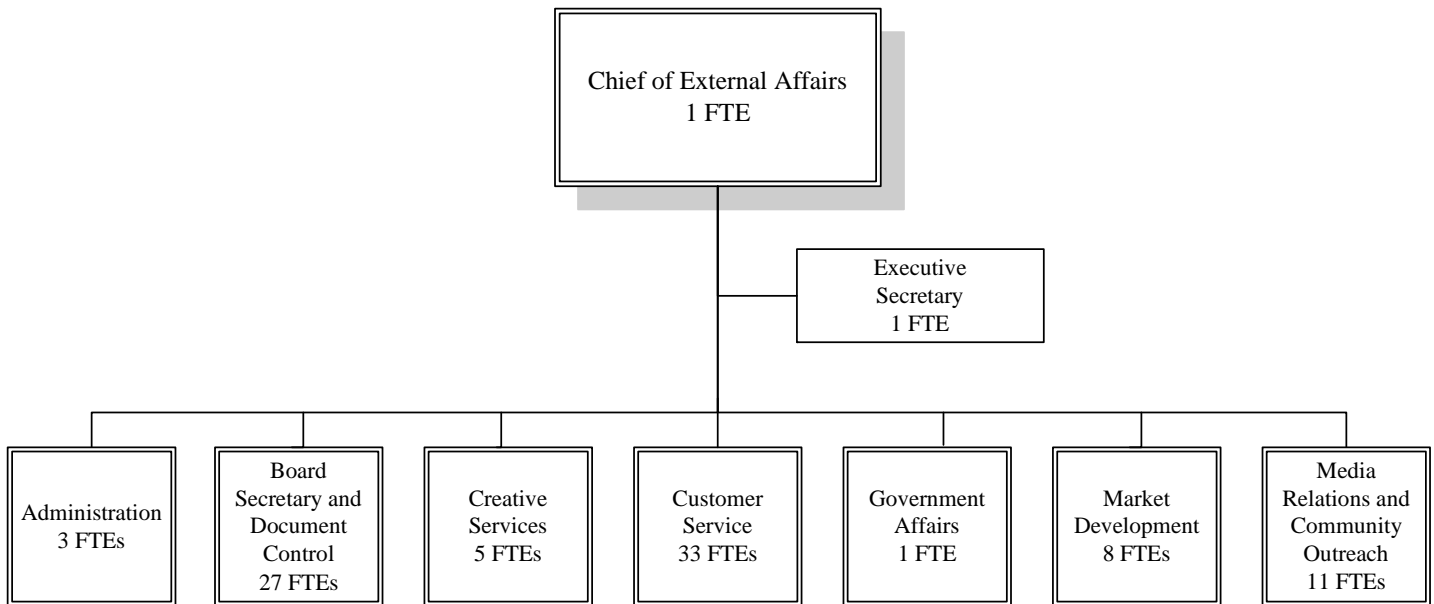
VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



External Affairs Division

Under the direction of the Chief External Affairs Officer, this division is responsible for developing and executing a cohesive communication plan for the Authority, integrating media relations, community outreach, marketing, customer service, and government affairs activities supporting VTA's strategic goals. The Board Office, including the print shop and records management department, is also part of the External Affairs division, and focuses on improving the communication and information flow between VTA and the Board, its committees, and the public.

90 FTEs
(As of 7/1/09)



External Affairs Division cont.

Department Descriptions

Administration:

Responsible for division budget and personnel administration.

Board Secretary and Document Control:

Responsible for preparation and publication of agendas, notices, minutes of meetings, hearings, and other matters within the jurisdiction of the Board, and managing VTA's document reproduction center.

Creative Services:

Responsible for creative design and production services for all VTA departments to ensure that VTA materials meet established graphic standards, and are easy to understand.

Customer Service:

Responsible for providing current and potential service recipients with accurate and timely assistance through a telephone contact center, the Downtown and River Oaks Customer Service Centers, community events, site visits, and via VTA's web-site www.vta.org.

Government Affairs:

Responsible for developing and coordinating VTA's legislative and intergovernmental relations programs.

Market Development:

Responsible for identification of target markets and development of positive advertising campaigns to promote utilization of VTA transit services.

Media Relations and Community Outreach:

Responsible for initiating and responding to media contacts, maintaining updated information about VTA, relaying critical project information to the public, and encouraging public involvement and input for capital project development.

*External Affairs Division
Staffing Level Detail¹*

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Assistant Board Secretary	1	1	1	1
Board Assistant	7	7	7	7
Board Secretary	1	1	1	1
Chief of External Affairs	1	1	1	1
Community Outreach Supervisor	1	2	1	1
Creative Services Manager	1	1	1	1
Customer Services Supervisor	3	3	3	3
Deputy Director Marketing & Public Affairs	1	0	0	0
Document Control Clerk II	7	7	7	7
Document Management Supervisor	1	1	1	1
Engineering Technician II	1	1	1	1
Executive Secretary	2	2	2	2
Government Affairs Manager	1	1	1	1
Graphic Designer II	4	4	4	4
Information Services Representative	25	25	25	25
Lead Document Control Clerk	1	1	1	1
Lead Reprographics Services Specialist	1	1	1	1
Management Analyst	2	2	2	2
Manager, Market Development	1	1	1	1
Manager, Public Affairs & Customer Info	1	1	1	1
Office Specialist II	3	3	3	3
Policy & Community Relations Manager	1	1	1	1
Public Communication Specialist II	9	9	9	9
Public Information Officer	1	1	1	1
Public Relations Supervisor	1	1	1	1
Reprographics Services Specialist II	5	5	5	5
Sales and Promotion Supervisor	1	1	1	1
Secretary	2	2	2	2
Sr. Information Representative	3	3	3	3
Sr. Management Analyst	1	1	1	1
Sr. Transportation Planner	1	1	1	1
Total	91	91	90	90

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

Staffing Level Changes

One Community Outreach Supervisor position deleted as part of the FY 2010 and FY 2011 budget development process.

External Affairs Division cont.

FY 2008 & FY 2009 Accomplishments

1. Supported January 2008 New Bus Service rollout which implemented Comprehensive Operations Analysis (COA) system changes that contributed to double digit ridership increases.
2. Updated VTA website, adding new features including GovDelivery subscription service and new E-Commerce option for purchasing fare on line.
3. Launched Regional marketing campaign to promote public transit use, leveraging bay area transit agencies' media contacts to expand VTA's outreach efforts.
4. Updated VTA Vision, Mission and Values to reflect new direction and priorities.
5. Created on-line Board/Committee Member Orientation handbook
6. Implemented Board and Committee Agenda Management system, which has enabled sharing of memos and reports electronically, reducing the cost/waste of hard copy distribution.
7. Initiated Advisory Committee Enhancement Process to improve communication and efficiency of VTA's advisory system.
8. Established Government Affairs Roundtable to increase coordination of regional, state, and federal legislative activity.
9. Provided additional training for Advisory Committees, including training on meeting facilitation, consensus building, and legislative/policy briefing.
10. Expanded VTA's media presence, generating positive coverage of VTA services and greater public awareness of VTA's roles/responsibilities/values.
11. Partnered in dozens of community events, including the National Night Out, San Jose Jazz Festival, and Mercury News Green Fair to promote VTA services and increase public awareness of VTA roles/responsibilities/values.
12. Presented materials to over 10,000 students in Santa Clara County educating them on rail safety, benefits of riding transit, and providing free transportation to approximately 100,000 students on school trips.
13. Created VTV, multimedia presentations for display at downtown customer service center and on internet.
14. Created Friends network to enhance communication with VTA stakeholders.

External Affairs Division cont.

FY 2010 & FY 2011 Goals

1. Support efforts to secure federal funding for BART project.
2. Work with partners to identify stable source of state funding for transit operations.
3. Promote 2010 Census outreach efforts to maximize transportation funding.
4. Expand community partnerships to leverage resources and improve public awareness of VTA roles/responsibilities/values.
5. Increase public understanding of transit role in addressing climate change.
6. Enhance customer service and communication to improve ridership experience.
7. Promote cross-training and professional development to maximize resources and contribute to VTA succession planning efforts.
8. Advance Board Governance and Advisory Committee Enhancement processes.

External Affairs Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	7,937	10,588	8,055	8,703	648	8.0%	8,841	138	1.6%
Materials & Supplies	1	6	4	12	8	200.0%	3	(9)	-75.0%
Professional & Special Services	508	952	421	585	164	39.0%	558	(27)	-4.6%
Other Services	2,000	2,239	1,651	1,666	15	0.9%	1,593	(73)	-4.4%
Data Processing	3	4	5	3	(2)	-40.0%	2	(1)	-33.3%
Office Expense	45	42	55	46	(9)	-16.4%	46	0	0.0%
Employee Related Expense	18	54	18	8	(10)	-55.6%	8	0	0.0%
Leases & Rents	169	248	172	283	111	64.5%	320	37	13.1%
Miscellaneous	255	491	235	339	104	44.3%	339	0	0.0%
Contribution to Other Agencies	90	0	113	125	12	10.6%	100	(25)	-20.0%
Total Expense	11,025	14,624	10,729	11,770	1,041	9.7%	11,808	38	0.3%
Reimbursements	(1,335)	(1,712)	(1,724)	(494)	1,230	-71.3%	(484)	10	-2.0%
Net Total	9,691	12,912	9,005	11,276	2,271	25.2%	11,324	48	0.4%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Labor Costs:

FY 2010 budgeted labor costs are \$648 thousand higher than FY 2009 actual due primarily to several Information Services Representative positions, vacant in FY 2009, that are included in FY 2010 budget.

Professional & Special Services:

FY 2010 budget shows an increase of \$164 thousand from FY 2009 actual due, in large part, to costs associated with upgrading VTA's website.

Leases & Rents:

FY 2010 budget reflects an increase of \$111 thousand from FY 2009 actual due to anticipated leases for new walk-up copiers and replacement of Copy Center equipment.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Miscellaneous:

FY 2010 shows an increase of \$104 thousand from FY 2009 actual. This increase is due to public hearing and board meeting legal notices, postage for high-volume bulk mailings, and the purchase of promotional items.

Reimbursements:

FY 2010 budgeted reimbursements are anticipated to decline from FY 2009 actual by \$1.23 million or 71.3% primarily due to a change in the capital project charge-out policy. Several cost centers in External Affairs who previously charged to projects have been identified as general and administrative and are now included in the overhead pool.

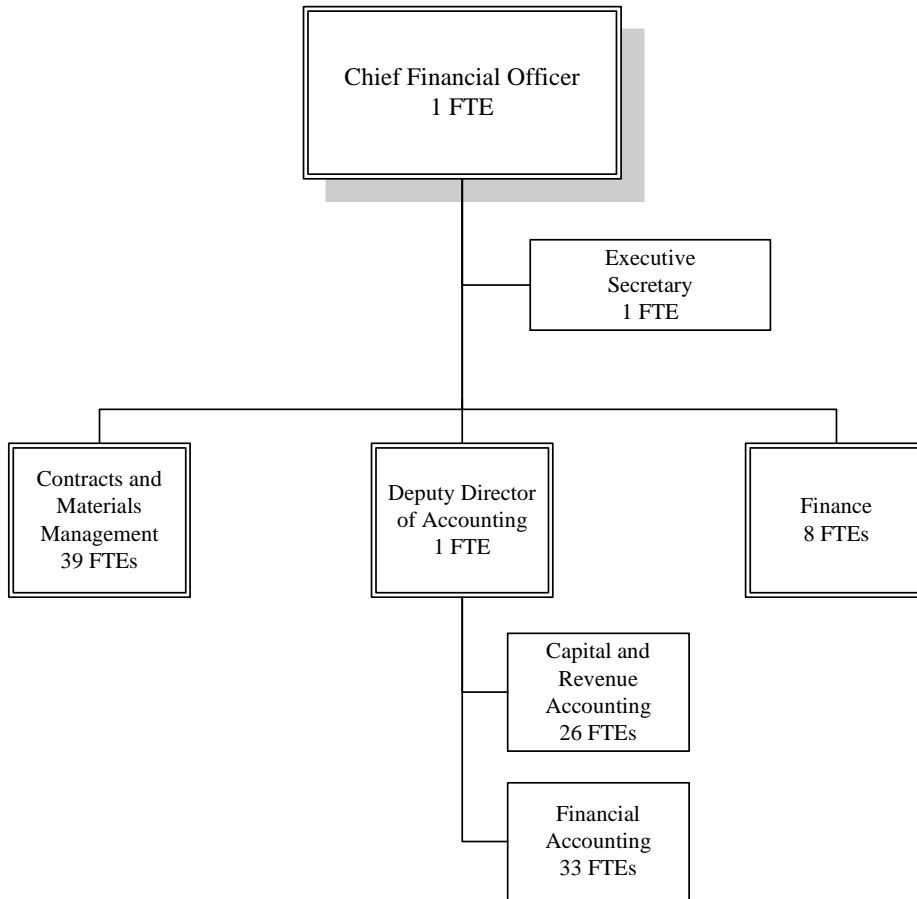
VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



Fiscal Resources Division

Under the direction of the Chief Financial Officer, the Fiscal Resources division fulfills the Controller and Treasury functions for VTA, including financial reporting, accounting, budgeting, investment services, cash management, debt administration, payroll, accounts receivable, accounts payable, and farebox revenue services. In addition, purchasing, messenger/mail services, contracts administration, and disadvantaged business enterprise program are the responsibility of the Fiscal Resources division.

109 FTEs
(As of 7/1/09)



Fiscal Resources Division cont.

Department Descriptions

Contracts and Materials Management:

Responsible for commodity and non-professional service procurements, construction and professional services contracting, Disadvantaged Business Enterprise (DBE) program compliance, messenger and mail service, central receiving, and surplus property disposal.

Capital and Revenue Accounting:

Responsible for managing capital accounting activities, preparation of revenue billings for projects, program contracts, and other program services, processing and recording of cash deposits, managing the activities of fare media sales, and reporting of revenue collection for the Bus and Light Rail operations.

Financial Accounting:

Responsible for managing financial accounting activities, maintaining the financial accounting system, external and internal financial reporting, processing payments to employees and outside vendors, development of the biennial operating and capital budget, and monitoring the adopted budget throughout the fiscal year.

Finance:

Responsible for identifying need and implementing debt related transactions, preparing and analyzing the financial capacity of VTA, establishing effective investment strategies, analyzing investment portfolio performance, reporting investment performance to the Board of Directors, and designing and managing cash management and cash forecasting systems.

*Fiscal Resources Division
Staffing Level Detail¹*

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Accountant Assistant	15	15	15	15
Accountant II	1	1	1	1
Accountant III	10	10	10	10
Asset & Capital Budget Manager	1	1	1	1
Buyer Assistant	3	4	4	4
Buyer II	3	3	3	3
Buyer III	3	3	3	3
Chief Financial Officer	1	1	1	1
Compliance Review Manager	1	1	1	1
Construction Contracts Administrator II	5	5	5	5
Contracts Administrator II	6	6	6	6
Contracts Manager	1	0	0	0
Contracts Program Manager	0	2	2	2
Deputy Director of Accounting	1	1	1	1
Disbursements Manager	1	1	1	1
Executive Secretary	2	2	1	1
Financial Accounting Manager	1	1	1	1
Financial Analyst	5	5	5	5
Fiscal Resources Manager	3	3	3	3
Investment Program Manager	1	1	1	1
Lead Storekeeper	1	1	1	1
Mail Messenger	4	4	4	4
Management Analyst	3	3	3	3
Management Secretary	3	3	3	3
Manager, Budget Administration	1	1	1	1
Office Specialist II	2	2	1	1
Office Support Supervisor	1	1	1	1
Purchasing & Materials Manager	1	1	1	1
Purchasing Manager	0	1	1	1
Purchasing Supervisor	1	0	0	0
Revenue Services Manager	1	1	1	1
Sr. Accountant	9	9	9	9
Sr. Auditor	1	1	1	1
Sr. Construction Contracts Administrator	3	3	3	3
Sr. Contracts Administrator	1	1	1	1
Sr. Financial Analyst	3	3	3	3

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Sr. Management Analyst	2	2	2	2
Storekeeper	1	1	1	1
Supervising Account Clerk	2	2	2	2
Supervising Vault Room Worker	1	1	1	1
Vault Room Worker	4	4	4	4
<i>Total</i>	109	111	109	109

Staffing Level Changes

Two positions deleted as part of the FY 2010 and FY 2011 budget development process: one Executive Secretary and one Office Specialist II.

Fiscal Resources Division cont.

FY 2008 & FY 2009 Accomplishments

1. Initiated monthly Capital Project Status Review meetings with Project Managers, Budget Coordinators and various other stakeholders including monthly updates and review of the Capital Project Funding Report to improve communication and information sharing between departments.
2. Successfully coordinated the FTA Triennial Review necessary for reasonably assuring compliance with federal requirements as outlined in the grant management practices and program implementation.
3. Developed a new methodology and obtained approval of the FY 2009 Indirect Cost Allocation Plan from both state and federal agencies.
4. Proactively managed VTA's debt portfolio, refunding and restructuring five bond issuances to lower interest expense and to reduce exposure to credit market risk, which ultimately resulted in a present value savings of \$34.0 million.
5. Established and funded a Debt Reduction Fund. The objective of the Fund is to enhance VTA's fiduciary governance practices and to provide cash flow for approved capital asset replacements and improvements.
6. Successfully underwent a Federal Procurement System Review with no significant findings.
7. First agency in Northern California to complete the Availability and Utilization Study and have received Board approval to return to a Race Conscious DBE program.
8. Received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for FY2007 Comprehensive Annual Financial Report and for FY2008 Comprehensive Annual Financial Report.
9. Implemented GASB 43/45 and created the VTA Other Post Employment Benefits (OPEB) Trust.
10. Completed the compilation of VTA financial policies and subsequent reaffirmation by the Board of Directors on March 5, 2009.

Fiscal Resources Division cont.

FY 2010 & FY 2011 Goals

1. Identify financing mechanism to fund Express Lanes.
2. Maintain VTA long term-credit ratings of AAA/Aa3/AA- and for Measure A long-term credit ratings of AA+/Aa3.
3. Achieve an annualized rate of return on VTA investments that meets or exceeds the performance benchmarks as defined in the VTA investment policy. Rebalance VTA Operating Investment Portfolios to more closely match use/timing of needed funds/develop Investment Strategy. Review/update if necessary Investment, Debt, and Swap Policies to maintain financial stability/VTA security. Implement portfolio restructuring approved by ATU Pension Board (to include emerging markets/real estate) for the ATU Pension Fund.
4. Submit the FY 2009 and FY 2010 Comprehensive Annual Financial Reports to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting and implement GASB 53, Accounting and Financial Reporting for Derivative Instruments.
5. Submit the FY 2010 and FY 2011 Biennial Budget document to GFOA for consideration for the Distinguished Budget Presentation Award.
6. Complete and implement procurement for the Farebox Replacement Project.
7. Coordinate the implementation of the stored value smart card fare collection system, Translink, on VTA vehicles and facilities.
8. Continue to work with the FTA and FHWA/Caltrans to fully re-implement a Race Conscious/Race Neutral DBE program.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Fiscal Resources Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	11,577	13,810	11,795	11,607	(188)	-1.6%	11,723	116	1.0%
Materials & Supplies	1	2	9	1	(8)	-88.9%	2	1	100.0%
Professional & Special Services	1,017	1,464	949	606	(343)	-36.1%	950	344	56.8%
Other Services	278	369	294	201	(93)	-31.6%	201	0	0.0%
Data Processing	1	2	1	2	1	100.0%	2	0	0.0%
Office Expense	60	61	55	54	(1)	-1.8%	54	0	0.0%
Communications	6	8	4	0	(4)	-100.0%	0	0	N/A
Employee Related Expense	9	4	3	6	3	100.0%	2	(4)	-66.7%
Miscellaneous	193	281	164	178	14	8.5%	195	17	9.6%
Total Expense	13,142	16,002	13,276	12,655	(621)	-4.7%	13,128	474	3.7%
Reimbursements	(2,157)	(3,465)	(2,551)	(1,265)	1,286	-50.4%	(1,341)	(76)	6.0%
Net Total	10,985	12,537	10,725	11,390	665	6.2%	11,787	397	3.5%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2010 budget shows a \$343 thousand decrease from FY 2009 actual due primarily to the elimination of the Disadvantaged Business Enterprise/Small Business Enterprise certification program and consulting and legal fees in FY 2009 related to bond insurer downgrades not anticipated in future budgets. FY 2011 budget reflects a \$344 thousand increase over FY 2010 due to Translink operating costs currently scheduled to commence with June 2010 VTA implementation.

Reimbursements:

FY 2010 budgeted reimbursements are anticipated to decline from FY 2009 actual by \$1.29 million or 50.4%. This reduction is due to the completion of the SAP software upgrade project in early FY 2010. This major project to upgrade VTA's financial software required a large amount of Fiscal Resources staff time in FY 2009.

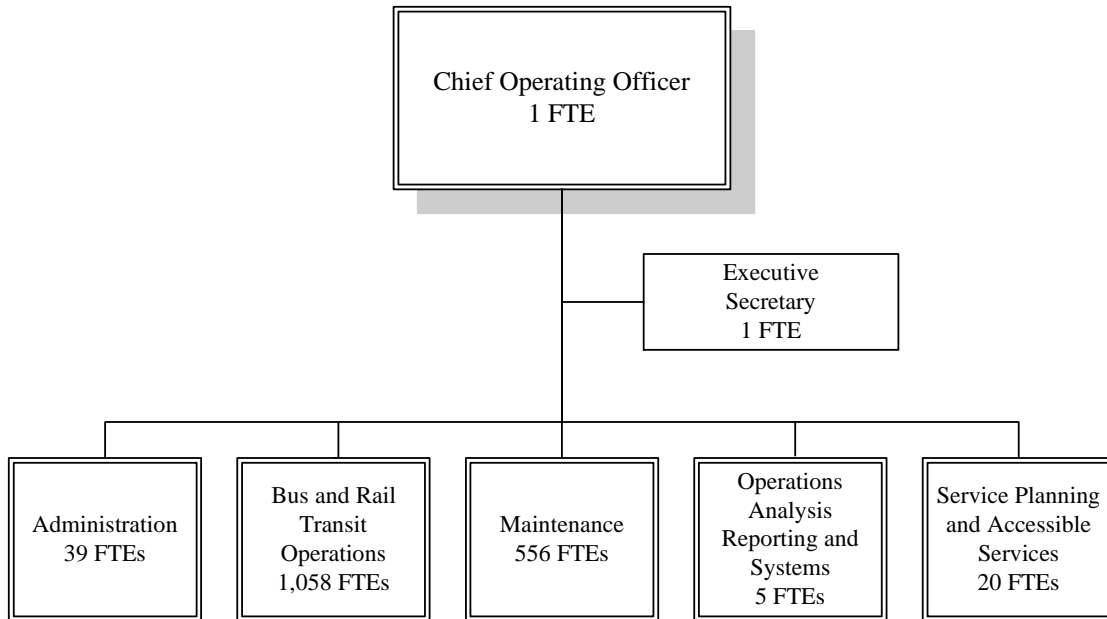
VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



Operations Division

Under the direction of the Chief Operating Officer, the Operations division operates, maintains, analyzes, schedules, manages, and provides security for VTA's bus and rail transit system and facilities. It also oversees contracted shuttle and ADA paratransit service. This Division consists of the Chief Operating Officer's Administrative unit and four departments comprising 14 functional units.

1,680 FTEs
(As of 7/1/09)



Operations Division cont.

Department Descriptions

Administration:

Responsible for division budget, capital projects, policies and procedures, and personnel administration (e.g., staffing allocation, discipline and grievance process, absence management, and personnel development and training).

Bus and Rail Transit Operations:

Comprised of one light rail and three bus divisions responsible for operating VTA's bus routes and light rail system. This department is also responsible for field supervision, bus and rail technical training, and the operations control center.

Maintenance:

Responsible for maintaining VTA's fleet of buses and light rail vehicles as well as the light rail system consisting of track, operating signals, a power distribution system, passenger facilities, and the adjoining rights-of-way. In addition, this department manages all VTA facilities and non-revenue vehicles, and is responsible for bus and rail maintenance engineering and configuration management, maintenance training, quality assurance and warranty services, materials management, and protective services.

Operations Analysis Reporting and Systems:

Responsible for analysis and reporting of VTA transportation and maintenance performance and providing support for VTA Operations business information systems.

Service Planning and Accessible Services:

Responsible for planning, scheduling, and monitoring VTA's bus routes and light rail service, ensuring compliance with the Americans with Disabilities Act (ADA) for fixed-route transit operations, providing travel training and outreach to seniors and persons with disabilities, coordination of contracted and interagency transit services, and planning and coordination of VTA's bus stops, transit centers and shelters.

***Operations Division
Staffing Level Detail¹***

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Accessible Services Program Manager	1	1	1	1
Accessible Services Representative	2	2	2	2
Account Clerk II	3	3	3	3
Accountant Assistant	1	1	1	1
Administrative Services Assistant	1	1	1	1
Assistant Supt. Field Operations	1	1	1	1
Assistant Supt. Transit Communications	3	3	3	3
Assistant Transportation Engineer	0	1	1	1
Associate Mechanical Engineer	1	0	0	0
Associate Systems Engineer	2	2	2	2
Automotive Attendant	1	1	1	1
Bus Operator	786	848	825	825
Bus Stop Maintenance Worker	9	9	9	9
Chief of Security	1	0	0	0
Chief Operating Officer	1	1	1	1
Community Bus Operator	61	0	0	0
Deputy Director Operations	3	3	3	3
Dispatcher - Bus	21	21	21	21
Dispatcher - LRT	4	4	4	4
Dispatcher Supervisor	1	1	1	1
Electrician	1	1	1	1
Electro - Mechanic	39	39	39	39
Electronic Technician	9	9	9	9
Engineering Technician II	1	1	1	1
Engineering Technician III	2	2	2	2
Executive Secretary	3	3	3	3
Facilities Maintenance Assistant	1	1	1	1
Facilities Maintenance Coordinator	2	2	2	2
Facilities Maintenance Manager	1	0	0	0
Facilities Maintenance Representative	4	4	4	4
Facilities Worker	25	25	25	25
Fare Inspector	10	10	10	10
Foreperson - LRT	3	3	3	3
General Maintenance Mechanic	1	1	1	1
Janitor	8	8	8	8
Lead Bus Stop Maintenance Worker	1	1	1	1

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Lead Maintenance Worker - LRT	7	7	7	7
Lead Transit Center Maintenance Worker	1	1	1	1
Light Rail Equipment Superintendent	1	1	1	1
Light Rail Operator	96	96	95	95
Light Rail Power Foreperson	1	1	1	1
Light Rail Power Supervisor	1	1	1	1
Light Rail Signal Maintainer	16	16	16	16
Light Rail Signal Supervisor	2	2	2	2
Light Rail Technical Trainer	3	3	3	3
Light Rail Technical Training Supervisor	1	1	1	1
Light Rail Track Maintenance Supervisor	1	1	1	1
Light Rail Way, Power & Signal Supt	1	1	1	1
Maintenance Instructor - Bus	2	2	2	2
Maintenance Instructor - Light Rail	1	1	1	1
Maintenance Scheduler	7	7	7	7
Maintenance Superintendent	4	4	4	4
Maintenance Worker - LRT	19	19	19	19
Management Analyst	8	8	8	8
Management Secretary	1	1	1	1
Manager, Ops Analysis, Reporting & Systems	1	1	1	1
Materials & Warranty Manager	1	1	1	1
Materials Resource Scheduler	3	3	3	3
Office Specialist II	28	28	28	28
Office Support Supervisor	6	5	5	5
Operations Manager	3	3	3	3
Operations Manager, Engineering	1	1	1	1
Operations Systems Supervisor	1	1	1	1
Operator - Trainee	20	10	10	10
Ops Manager, Facilities Maintenance & Security	0	1	1	1
Overhaul & Repair Foreperson	2	2	2	2
Overhaul & Repair Mechanic	22	22	22	22
Overhead Line Worker	8	8	8	8
Paint & Body Foreperson	1	1	1	1
Paint & Body Foreperson - LRT	1	1	1	1
Paint & Body Worker	10	10	10	10
Paint & Body Worker - LRT	5	5	5	5
Parts Clerk	20	20	20	20
Parts Foreperson	1	1	1	1
Policy & Administrative Manager - Ops	1	1	1	1
Quality Assurance & Warranty Specialist	2	2	2	2
Secretary	1	1	1	1
Service Mechanic	12	23	23	23
Service Worker	74	63	63	63
Service Worker Foreperson	4	4	4	4

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Sr. Management Analyst	4	4	4	4
Sr. Mechanical Engineer	1	1	1	1
Sr. Signal Maintainer	2	2	2	2
Sr. Systems Engineer	1	1	1	1
Sr. Track Worker	7	7	7	7
Substation Maintainer	8	8	8	8
Supervising Maintenance Instructor	1	1	1	1
Supervising Maintenance Instructor - LRT	1	1	1	1
Support Mechanic	3	3	3	3
Technical Trainer	4	4	4	4
Technical Training Supervisor	1	1	1	1
Track Worker	8	8	8	8
Transit Center Maintenance Worker	4	4	4	4
Transit Division Supervisor	8	8	8	8
Transit Foreperson	10	10	10	10
Transit Maintenance Supervisor	13	13	13	13
Transit Mechanic	120	120	120	120
Transit Mechanic - Hydrogen	2	2	2	2
Transit Radio Dispatcher	12	12	12	12
Transit Service Development Spec II	8	8	8	8
Transit Service Development Supervisor	2	2	2	2
Transportation Superintendent	5	5	5	5
Transportation Supervisor	34	35	35	35
Union Business	3	3	3	3
Upholsterer	6	6	6	6
Upholstery Foreperson	1	1	1	1
Utility Worker	2	2	2	2
Vehicle Parts Supervisor	3	3	3	3
Warranty Coordinator	1	1	1	1
Total⁴	1,690	1,680	1,656	1,656

⁴ Does not include 64 Long Term Leave positions

Staffing Level Changes

As of June 30, 2009 there were twenty-three Bus Operator positions and one Light Rail Operator position from previous training classes that had not yet been absorbed into the normal head-count. These surplus positions will phase out in FY 2010 through normal attrition.

Operations Division cont.

FY 2008 & FY 2009 Accomplishments

1. Achieved VTA's operational performance standards for percent of service provided based on key performance indicators: on-time performance, service reliability, and miles between major mechanical scheduled loss.
2. Implemented VTA's New Bus Service in January 2008; VTA's bus service network was overhauled to improve overall system productivity and efficiency. Subsequently completed and implemented the 2009 Annual Transit Service Plan effective July 13, 2009.
3. Fully implemented Community Bus Service with 50 small capacity buses on 22 bus lines providing flexible, community oriented public transportation. This includes procurement of a Lifeline Grant to fund Gilroy Community Bus Service, new bus stops and promotional campaign.
4. Reduced the number and duration of road calls and improved bus reliability to achieve 8,000 mean miles between road calls which is 2,000 miles above goal.
5. Worked with the Amalgamated Transit Union Local 265 (ATU) to develop and implement programs designed to create a work environment that supports the long term professional development and health and wellness of front line employees. From this program we implemented and successfully completed the Maintenance Career Ladders Training Project.
6. Introduced a new Communications Device Policy placing tight control on the possession and use of cell phones and all communications/electronic devices for bus and light rail operators, imposing stiff penalties on those who do not adhere to the Policy.
7. Worked with VTA's contracted paratransit broker, OUTREACH, Inc. to procure new service providers that delivered improved paratransit services at lower cost to VTA.
8. Pursued and procured Transit Security Grant funding through the Department of Homeland Security and the State of California security funding for security improvements and comprehensive National Incident Management System (NIMS) training.
9. Procured and negotiated a 3-year, \$11,650,000 contract with AlliedBarton Security Services, LP to provide security services.
10. Successfully implemented Automated Passenger Counter (APC) Validation program per FTA guidelines.

Operations Division cont.

FY 2010 & FY 2011 Goals

1. Maintain established operational goals for service delivery.
2. Develop and maintain annual service plans that will provide safe and reliable bus and light rail service with limited available resources.
3. Reduce mechanical schedule loss by (1) maintaining light rail reliability goal of 40,000 miles between mechanical failures; (2) reducing the number and duration of road calls to improve bus reliability to maintain 7,000 or above mean miles between road calls and, (3) provide resources that will allow track, signal and power systems to meet 99% of revenue service availability requirements.
4. Issue requests for proposals and select a contractor the Transit Shelter Advertising Program and ADA paratransit services.
5. Continue partnership with the Amalgamated Transit Union Local 265 (ATU), working to develop and implement programs designed to create a work environment that supports the long term professional development and health and wellness of front line employees.
6. Negotiate new cooperative funding agreements for Highway 17 Express bus service, Dumbarton Bridge Express bus service, and Monterey-San Jose Express bus service.
7. Satisfy Air Resources Board requirements to make the bus fleet greener with the procurement of 40-foot hybrid electric diesel buses to replace high mileage, low reliability buses.
8. Continue to implement VTA Sustainability Program initiatives.
9. Work with Regional, State and Federal Security agencies to pursue transit security program funding for the implementation of Homeland Security and Transit Security Initiatives.
10. Refine and expand performance and ridership reporting tools with the retirement of legacy systems replacing them with systems that efficiently capture and manage real time data.

Operations Division cont.

Performance Measures

In addition to general division goals, the Operations Division also sets and monitors key performance indicators to measure reliability, efficiency, safety, productivity, customer satisfaction, and cost effectiveness. The table below reports historic performance and the goal for each of the next two fiscal years. Definitions for individual indicators can be found in the glossary in Appendix I.

	FY08 Actual	FY09 Goal	FY09 Actual¹	FY10 Goal	FY11 Goal
FAREBOX RECOVERY FACTORS					
Farebox Recovery Ratio ²	14.0%	>= 12.2%	14.0%	>= 12.2%	>= 12.2%
Operating Cost ¹ per Total Hour	\$167.24	<= \$180.66	\$169.17	<= \$180.66	<= \$180.66
Average Fare per Boarding	\$0.823	>= \$0.812	\$0.799	>= \$0.812	>= \$0.812
Boardings per Total Hour	28.4	>= 27.1	29.7	>= 27.1	>= 27.1
SYSTEM (Bus & Light Rail)					
Total Boarding Riders (in millions)	45.55	>= 31.20	45.26	>= 31.20	>= 31.20
Average Weekday Boarding Riders	139,716	>= 134,400	146,125	>= 134,400	>= 134,400
Percent of Scheduled Service Operated	99.64%	>= 99.30%	99.72%	>= 99.30%	>= 99.30%
Miles Between Major Mechanical Schedule Loss	8,155	>= 6,475	9,047	>= 6,475	>= 6,475
Miles Between Chargeable Accidents	96,369	>= 175,000	102,562	>= 175,000	>= 175,000
Passenger Concerns per 100,000 Boardings	10.1	<= 7.9	9.7	<= 7.9	<= 7.9
BUS OPERATIONS					
Total Boarding Riders (in millions)	33.1	>= 23.33	34.51	>= 23.33	>= 23.33
Average Weekday Boarding Riders	106,673	>= 100,300	111,820	>= 100,300	>= 100,300
Boarders per Total Hour	23.8	>= 22.5	25.0	>= 22.5	>= 22.5
Percent of Scheduled Service Operated	99.61%	>= 99.25%	99.69%	>= 99.25%	>= 99.25%
Miles Between Major Mechanical Schedule Loss	7,520	>= 6,000	8,289	>= 6,000	>= 6,000
Miles Between Chargeable Accidents	88,190	>= 60,000	92,503	>= 60,000	>= 60,000
On-time Performance	90.1%	>= 95.0%	88.6%	>= 95.0%	>= 95.0%
Operator Personal Time-off	6.9%	<= 10.0%	7.7%	<= 10.0%	<= 10.0%
Maintenance Personal Time-off	6.1%	<= 8.0%	7.2%	<= 8.0%	<= 8.0%
Passenger Concerns per 100,000 Boardings	12.4	<= 9.0	12.3	<= 9.0	<= 9.0
LIGHT RAIL OPERATIONS					
Total Boarding Riders (in millions)	10.45	>= 10.51	10.75	>= 10.51	>= 10.51
Average Weekday Boarding Riders	33,043	>= 34,100	34,305	>= 34,100	>= 34,100
Boarders per Total Hour	72.8	>= 72.0	74.9	>= 72.0	>= 72.0
Percent of Scheduled Service Operated	99.96%	>= 99.90%	99.97%	>= 99.90%	>= 99.90%
Miles Between Major Mechanical Schedule Loss	28,511	>= 40,000	38,223	>= 40,000	>= 40,000
Miles Between Chargeable Accidents	444,765	>=2,216,957	1,108,479	>=2,216,957	>=2,216,957
On-time Performance	87.4%	>= 95.0%	90.1%	>= 95.0%	>= 95.0%
Operator Personal Time-off	6.1%	<= 10.0%	7.3%	<= 10.0%	<= 10.0%
Maintenance Personal Time-off	7.7%	<= 8.0%	5.6%	<= 8.0%	<= 8.0%
Way, Power & Signal Personal Time-off	5.0%	<= 8.0%	4.7%	<= 8.0%	<= 8.0%
Passenger Concerns per 100,000 Boardings	2.8	<= 3.0	1.5	<= 3.0	<= 3.0

¹ Preliminary Unaudited

² Reflects direct transit-related operating costs based on FTE cost allocation methodology in conformance with National Transit Database (NTD) reporting

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Operations Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	185,268	196,758	189,770	196,384	6,614	3.5%	197,555	1,171	0.6%
Materials & Supplies	16,214	17,014	15,378	15,389	11	0.1%	15,183	(206)	-1.3%
Security	7,497	7,579	7,642	7,584	(58)	-0.8%	8,019	435	5.7%
Professional & Special Services	469	819	543	740	197	36.3%	536	(204)	-27.6%
Other Services	4,990	5,922	5,921	5,300	(621)	-10.5%	5,283	(17)	-0.3%
Fuel	14,506	13,913	11,187	10,830	(357)	-3.2%	10,886	56	0.5%
Traction Power	3,290	3,735	3,150	3,351	201	6.4%	3,506	155	4.6%
Tires	1,384	1,897	1,450	1,597	147	10.1%	1,694	97	6.1%
Utilities	2,504	2,509	2,558	2,462	(96)	-3.8%	2,460	(2)	-0.1%
Data Processing	6	12	37	52	15	41.0%	50	(2)	-3.8%
Office Expense	196	225	204	190	(14)	-6.9%	178	(12)	-6.3%
Communications	0	0	1	0	(1)	-100.0%	0	0	N/A
Employee Related Expense	145	201	155	176	21	13.5%	181	5	2.8%
Leases & Rents	177	169	181	177	(4)	-2.2%	182	5	2.8%
Miscellaneous	338	622	92	228	136	147.8%	54	(174)	-76.3%
Subtotal Operating Expense	236,984	251,374	238,269	244,459	6,191	2.6%	245,766	1,307	0.5%
Paratransit ²	30,707	33,286	30,856	32,132	1,276	4.1%	34,263	2,131	6.6%
Caltrain ²	16,089	16,899	15,996	18,179	2,183	13.6%	18,683	504	2.8%
Light Rail Shuttles ²	97	547	30	34	4	13.3%	39	5	14.7%
Altamont Commuter Express ²	3,912	4,106	3,841	4,509	668	17.4%	4,679	170	3.8%
Highway 17 Express ²	383	479	302	411	109	36.1%	428	17	4.1%
Dumbarton Express ²	344	505	379	457	78	20.6%	486	29	6.3%
Monterey-San Jose Exp. Service ²	60	109	35	46	11	31.4%	51	5	10.9%
Contribution to Other Agencies	249	270	263	254	(9)	-3.4%	274	20	7.9%
Other Expense	569	0	0	0	0	N/A	0	0	N/A
Subtotal Other Expense	52,410	56,201	51,701	56,022	4,321	8.4%	58,903	2,881	5.1%
Total Expense	289,394	307,574	289,970	300,481	10,511	3.6%	304,669	4,188	1.4%
Reimbursements	(8,815)	(4,553)	(9,618)	(10,602)	(984)	10.2%	(10,343)	259	-2.4%
Net Total	280,579	303,021	280,352	289,879	9,527	3.4%	294,326	4,447	1.5%

¹ Preliminary Unaudited

² Includes allocation of indirect costs

Note: Totals and subtotals may not be precise due to independent rounding

Major Variances

(Variance in excess of 5% and \$100,000)

Security:

FY 2011 budget reflects a \$435 thousand increase over FY 2010 budget due to salary and benefits, communication costs, and overhead on the contract with the Santa Clara County Sheriff's Department as well as the contractual 3% increase for auxiliary security.

Professional & Special Services:

FY 2010 budget shows a \$197 thousand or 36.3% increase from FY 2009 actual due to increases in the maintenance training program, which is offset by grant revenues, and mobility options travel training, which is a 50% federally funded program. FY 2011 reflects a \$206 thousand decrease from FY 2010 related to the Joint Workforce program.

Other Services:

FY 2010 budget is \$621 thousand lower than FY 2009 actual due to higher than normal elevator and escalator costs for light rail stations in FY 2009. A capital project is currently underway to upgrade the equipment which is anticipated to result in lower maintenance costs.

Traction Power:

FY 2010 budget shows a \$201 thousand increase over FY 2009 actual with an additional increase of \$155 thousand in FY 2011 reflecting an anticipated 5% increase in cost per kilowatt hour per year.

Tires:

FY 2010 budget is \$147 thousand higher than FY 2009 actual due to contractual rate increases.

Miscellaneous:

FY 2010 budget reflects a \$136 thousand increase over FY 2009 actual and FY 2011 budget reflects a \$174 thousand decrease from FY 2010. This variation is due to the current Joint Access Reverse Commute program which began in late FY 2009 and is anticipated to end in FY 2010. This program is partially grant funded.

Paratransit:

FY 2010 budget reflects a \$1.28 million increase over FY 2009 actual with an additional \$2.1 million increase forecast for FY 2011. These increases are due primarily to a projected 5% growth in number of trips per year.

Caltrain:

The base contract rate for FY 2010 remains unchanged from FY 2009. The FY 2010 budget increase of \$2.18 million over FY 2009 actual is due to a change in the Indirect Cost Allocation Plan (ICAP) rate methodology. This increase in overhead is offset by an increase in reimbursements for the Operations Division. There is no net change to overall expenses.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Altamont Commuter Express:

The FY 2010 budget increases \$668 thousand over FY 2009 actual due to a change in the ICAP rate methodology. This increase in overhead is offset by an increase in reimbursements for the Operations Division. There is no net change to overall expenses.

Highway 17 Express:

The FY 2010 budget increase of \$109 thousand over FY 2009 actual is driven by two factors: FY 2009 experienced high ridership revenue which resulted in lower net contributed costs; and FY 2010 budget reflects a change in the ICAP rate methodology. The increase in overhead is offset by an increase in reimbursements for the Operations Division. There is no net change to overall expenses.

Reimbursements:

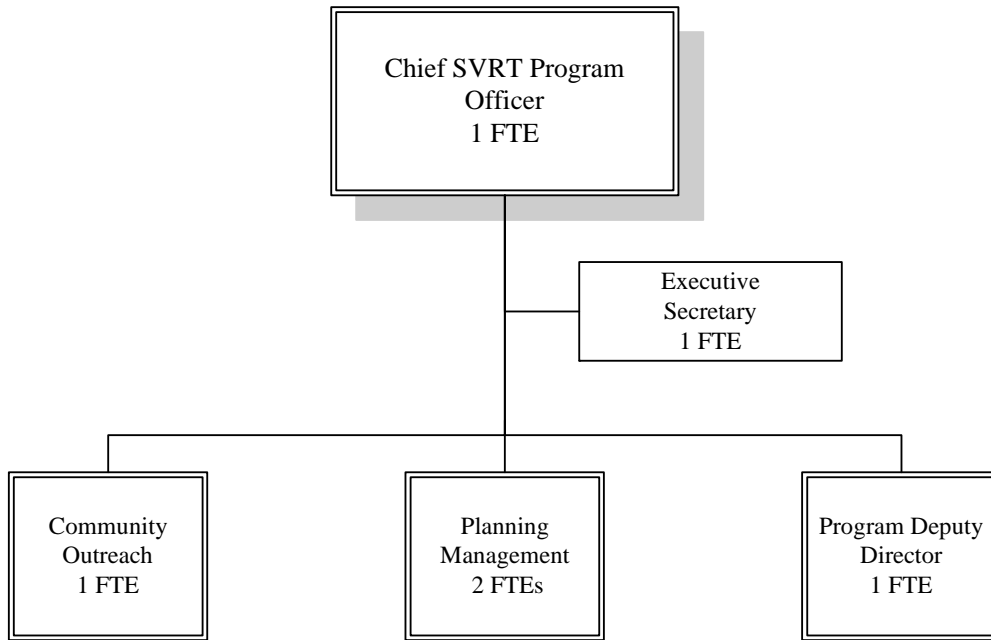
The FY 2010 budget increase of \$984 thousand over FY 2009 actual is a result of several factors. FY 2010 includes increased reimbursement from contracted services discussed above, which is offset by reimbursements received in FY 2009 for operating a bus bridge during the light rail platform retrofit project that will not occur in FY 2010, and budgeting of a conservative estimate for FY 2010 maintenance reimbursements.



Silicon Valley Rapid Transit Program (SVRT) Division

Under the direction of the Chief SVRT Program Officer, this office is responsible for providing oversight and coordination for all SVRT activities. The SVRT Program Office is responsible for SVRT program management, project scope and definition, program administration, planning, engineering and development activities, community outreach, program support services, real estate acquisition and development, and coordinating required support activities with VTA divisions.

6 FTEs
(As of 7/1/09)



***SVRT Division
Staffing Level Detail¹***

Job Title	FY08 Total²	FY09 Total³	FY10 Total	FY11 Total
Chief SVRT Program Officer	1	1	1	1
Community Outreach Supervisor	1	0	0	0
Deputy Director Marketing & Public Affairs	0	1	1	1
Deputy Director, SVRT Program Office	1	1	1	1
Executive Secretary	1	1	1	1
Management Analyst	1	1	1	1
Office Specialist II	0	1	0	0
Principal Transportation Planner	1	1	0	0
Sr. Transportation Planner	1	1	0	0
Transportation Planner III	1	1	1	1
<i>Total</i>	8	9	6	6

¹ Approved positions including vacancies

² As of 6/30/08

³ As of 6/30/09

Staffing Level Changes

Three positions deleted as part of the FY 2010 and FY 2011 budget development process: one Office Specialist II, one Principal Transportation Planner, and one Senior Transportation Planner.

SVRT Division cont.

FY 2008 & FY 2009 Accomplishments

1. Began Federal environmental clearance project and released Draft Environmental Impact Statement for public review.
2. Submitted all required documents for review by FTA for entry into federal New Starts Funding Program.
3. Incorporated program budget, scheduled and project design activities into the Program Office.
4. Continued to administer budget for SVRT Program including Freight Railroad Relocation process.
5. Developed financial model in support of BART and Measure A program.

FY 2010 & FY 2011 Goals

1. Enter Federal New Starts funding program with entry into Preliminary Engineering and then Final Design.
2. Receive federal Record of Decision for Silicon Valley Rapid Transit Corridor project.
3. Begin Right-of-way acquisition for BART Silicon Valley Extension.
4. Establish strong community outreach and information program for BART project.
5. Execute funding agreements for moving forward on BART-procured activities.
6. Execute cooperative agreements with local jurisdictions.
7. Continue relocation activities.
8. Begin final design of BART Silicon Valley Extension.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

SVRT Division Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget ¹	FY09 Actual ²	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY 2011 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	747	914	787	745	(42)	-5.3%	752	7	0.9%
Office Expense	0	1	4	1	(3)	-75.0%	1	0	0.0%
Employee Related Expense	1	4	0	4	4	N/A	4	0	0.0%
Total Expense	748	919	791	750	(41)	-5.2%	756	7	0.9%
Reimbursements	(804)	(972)	(1,199)	(1,090)	109	-9.1%	(1,090)	0	0.0%
Net Total	(56)	(53)	(408)	(341)	67	-16.4%	(334)	7	-2.1%

¹ Adjusted to reflect division reorganization effective post FY 2009 Budget adoption

² Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Reimbursements:

FY 2010 budget shows a reduction of \$109 thousand from FY 2009 actual. FY 2010 and FY 2011 budgeted reimbursements are based on a historical average hours worked per employee, net of paid leave. Staff exceeded this average in FY 2009 resulting in a greater number of reimbursable hours charged versus those budgeted in FY 2010.

Non-Departmental

VTA groups all the expenses that are beyond the control of individual division, difficult to be allocated meaningfully to any one division or unrelated to actual operations into a non-departmental division. The rationale is that since the divisions have no control over these expenses, they should not be held responsible or accountable for them.

Non-Departmental Expense Budget
(Dollars in Thousands)

Category	FY08 Actual	FY09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
Labor Costs	51	352	52	77	25	48.1%	77	0	0.0%
Professional & Special Services	0	0	105	0	(105)	-100.0%	0	0	N/A
Tires	3	0	0	0	0	N/A	0	0	N/A
Leases & Rents	0	0	3,104	0	(3,104)	-100.0%	0	0	N/A
Miscellaneous	5	0	6	0	(6)	-100.0%	0	0	N/A
Debt Service	22,958	24,358	20,734	20,893	159	0.8%	20,689	(204)	-1.0%
Other Expense	(568)	0	0	0	0	N/A	0	0	N/A
Total Expense	22,449	24,710	24,001	20,970	(3,031)	-12.6%	20,766	(204)	-1.0%

¹ Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

Major Variances
(Variance in excess of 5% and \$100,000)

Professional & Special Services:

FY 2010 budget is \$105 thousand less than FY 2009 actual due to consultant and legal fees in FY 2009 related to bond insurer downgrades not anticipated in future budgets.

Leases & Rents:

FY 2010 budget is \$3.1 million less than FY 2009 actual due to one-time lease termination fees incurred in FY 2009.



VTA Transit Capital Program

Overview

The FY 2010 and FY 2011 VTA Transit Enterprise Capital Program maintains needed capital infrastructure investment while creatively leveraging federal and state revenue sources. This includes using Federal Stimulus (American Recovery and Reinvestment Act) funds to purchase hybrid diesel buses and utilizing State Proposition 1B funds to purchase paratransit vehicles and non-revenue vehicles, as well as providing the matching money for federal rail grants (Section 5309) that will pay for rail, substation, and overhead catenary rehabilitation and replacement. This budget also utilizes over \$13 million in federal and state security funding to pay for a series of security improvements, including closed-circuit TV, laser intrusion detection, and facility perimeter fencing. As in previous years, the Capital Improvement Program Oversight Committee (CIPOC), which is composed of VTA's Chief Officers, has continued its ongoing review and monitoring of the entire capital program. This process continually examines every capital project as to its criticality to VTA's operations, strategic plan, and goals.

The Adopted FY 2010 and FY2011 VTA Transit Enterprise Fund Capital Program appropriation reflects the planned capital spending over the next two years and includes funding for 24 projects in six categories as listed in the table on the following page. The subsequent pages provide a brief description of each project, identified funding sources, and potential operating cost impacts.

VTA Transit
Schedule of FY 2010 & FY 2011 Appropriation
(Dollars in Thousands)

Project	FY10					FY11				
	Funding Source				Total	Funding Source				Total
	Federal	State	Other	VTA		Federal	State	Other	VTA	
1. Bus Surveillance Equip. Replacement	1,521	0	0	0	1,521	0	0	0	0	0
2. Light Rail Vehicle Repair	0	0	1,900	250	2,150	0	0	0	0	0
3. Paratransit Vehicles	0	6,664	0	0	6,664	0	973	0	0	973
4. 40' Hybrid Diesel Buses	47,153	4,653	0	0	51,806	0	0	0	0	0
Revenue Vehicles & Equipment Total	48,674	11,317	1,900	250	62,141	0	973	0	0	973
5. CARB Vehicle Compliance Program	0	2,608	0	0	2,608	0	0	0	0	0
Non-Revenue Vehicles Total	0	2,608	0	0	2,608	0	0	0	0	0
6. Chaboya Division Security Improvements	1,464	0	0	0	1,464	0	0	0	0	0
7. Emergency Power Generator Upgrade	0	942	0	0	942	0	0	0	0	0
8. Facilities & Equip Emergency Repair/Replacement	0	0	0	725	725	0	0	0	0	0
9. Guadalupe Division CCTV	1,710	389	0	0	2,099	0	0	0	0	0
10. Security Improvement	0	2,800	0	78	2,878	3,000	500	0	0	3,500
Operating Facilities & Equipment Total	3,174	4,131	0	803	8,108	3,000	500	0	0	3,500
11. Guad Corr Traction Power Substations Rehabilitation Prog.	2,025	675	0	0	2,700	1,425	475	0	0	1,900
12. Guadalupe OCS Rehab & Replacement Program	694	231	0	0	925	2,756	919	0	0	3,675
13. Laser Intrusion Detection System - Hamilton Station	601	563	0	0	1,164	0	0	0	0	0
14. Traction Power Substation Replacement Program	4,050	1,350	0	0	5,400	0	0	0	0	0
15. Rail Replacement & Rehabilitation	2,302	767	0	0	3,069	1,683	561	0	0	2,244
Light Rail Way, Power & Signal Total	9,672	3,587	0	0	13,258	5,864	1,955	0	0	7,819
16. Bus Stop Pavement, Duckouts & Accessibility Improv.	582	0	0	146	728	422	0	0	105	527
17. ELocker Retrofit Program	0	0	64	11	75	0	0	64	11	75
Passenger Facilities Total	582	0	64	157	803	422	64	0	117	602
18. Technology Infrastructure Replacement Fund	0	0	0	300	300	0	0	0	0	0
19. Radio Narrowbanding	0	0	0	0	0	0	0	0	690	690
20. Real Time Information (RTI)	0	2,530	0	0	2,530	0	0	0	0	0
Information Systems & Technology Total	0	2,530	0	300	2,830	0	0	0	690	690
21. Caltrain Capital - Annual Local Match	0	0	0	2,931	2,931	0	0	0	3,019	3,019
22. Caltrain Right-of-way	0	0	7,177	0	7,177	0	0	0	0	0
23. Joint Development - Sites A, B & C	0	0	300	0	300	0	0	0	0	0
24. W. San Carlos Remediation and Demolition	0	0	325	0	325	0	0	625	0	625
Capital Contingency	0	0	0	2,000	2,000	0	0	0	0	0
Miscellaneous Total	0	0	7,802	4,931	12,733	0	0	625	3,019	3,644
Grand Total	62,102	24,173	9,766	6,441	102,481	9,286	3,428	689	3,826	17,228

***VTA Transit Capital Program cont.
Description of FY 2010 & FY 2011 Appropriated Projects***

Revenue Vehicles and Equipment

1. Bus Surveillance Equipment Replacement

This project will replace the existing Closed Circuit TV (CCTV) equipment on 232 Gillig and New Flyer buses with current technology, including wireless connectivity to allow staff to download selected video from buses without having to physically pull hard drives.

Operating Costs: There will be maintenance savings of approximately \$687,000 over a three year period, since existing maintenance agreements for old equipment will be replaced by three-year warranty and maintenance coverage with the new equipment. Maintenance agreements would be needed after these expire.

Funding Source	FY10	FY11
Federal-TSGP	\$1,521,331	\$0
Total	\$1,521,331	\$0

2. Light Rail Vehicle Repair

In March 2008, a light rail vehicle was damaged due to a major derailment. This project appropriates funding that will be used to purchase replacement parts, body panels and frame components necessary for repair, if possible. If repair is not feasible, funding will be used to terminate the vehicle from a leveraged lease transaction entered into in 2003. The project is funded primarily with insurance proceeds.

Operating Costs: This project does not result in any additional operating costs.

Funding Source	FY10	FY11
Other-Insurance Proceeds	\$1,900,000	\$0
VTA Transit	250,000	0
Total	\$2,150,000	\$0

3. Paratransit Vehicles

In order to contain and reduce Paratransit operating costs, VTA now directly funds and provides vehicles to our contracted Paratransit vendor. This request is for 180 vehicles, of which 160 are replacement vehicles and 20 are to accommodate expansion of service. Of the 180 vehicles, 67 of these will be hybrid sedans, which will have a positive impact upon fuel consumption and the environment.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Operating Costs: The use of hybrid vehicles will help reduce operating costs and fuel consumption.

Funding Source	FY10	FY11
State-Prop 1B PTMISEA	\$6,664,000	\$973,000
Total	\$6,664,000	\$973,000

4. 40' Hybrid Diesel Buses

VTA will replace diesel buses purchased in the late 1990's and due for replacement, with 70-75 hybrid diesel electric buses. These buses will reduce emissions of NOx, particulate matter, and greenhouse gases, as well as improve fuel economy. They will be purchased through a combination of ARRA and State Proposition 1B funds.

Operating Costs: There will be additional operating and maintenance costs associated with operating Hybrid Diesel Buses due to more complex emission systems. Such costs are anticipated to be offset by fuel savings.

Funding Source	FY10	FY11
Federal-ARRA	\$47,152,840	\$0
State-Prop 1B PTMISEA	2,902,614	0
State-Prop 1B Lifeline	1,750,618	0
Total	\$51,806,072	\$0

Non-Revenue Vehicles

5. CARB Vehicle Compliance Program

VTA's Non-Revenue Vehicle (NRV) procurement in this budget cycle is being driven by the California Air Resources Board (CARB) requirement to retire or retrofit older diesel vehicles manufactured from 1998 to 2000 by December 31, 2010. This budget includes the required replacement of 40 diesel-powered vehicles.

Operating Costs: Maintenance savings associated with replacing older vehicles.

Funding Source	FY10	FY11
State-Prop 1B PTMISEA	\$2,607,600	\$0
Total	\$2,607,600	\$0

Operating Facilities & Equipment

6. Chaboya Division Security Improvements

This security project will install high-security fencing around the Division perimeter, vehicle and pedestrian gates, CCTV video on-demand systems, guard shack, and traffic control crossing arms.

Operating Costs: There will be a minor increase in maintenance costs associated with maintaining the CCTV equipment and the other improvements.

Funding Source	FY10	FY11
Federal-TSGP	\$1,463,707	\$0
Total	\$1,463,707	\$0

7. Emergency Power Generator Upgrade

This project will replace the existing emergency power generator at the Guadalupe Division with a 1200 kilowatt emergency generator, which could allow the entire division to maintain normal operations during a power outage. The existing generator is rated for 240 kilowatts and cannot provide emergency power to all buildings at the Division.

Operating Costs: No direct operating cost impact, but eliminates potential operating cost impacts related to power outages.

Funding Source	FY10	FY11
State-Prop 1B Security	\$942,187	\$0
Total	\$942,187	\$0

8. Facilities and Equipment Emergency Repair Allowance

This ongoing project allows VTA to expedite unplanned repairs that may be required at facilities or to equipment that is essential to normal or safe operations. These funds are administered by the Chief Operating Officer, and are not used for regular anticipated maintenance activities.

Operating Costs: Would expedite emergency repairs that may have residual positive operating cost impacts.

Funding Source	FY10	FY11
VTA Transit	\$725,000	\$0
Total	\$725,000	\$0

9. Guadalupe Division CCTV

This project will install approximately 30 CCTV cameras and associated hardware to adequately monitor the perimeter and secure the Division, displaying live streaming video over the existing network along with data storage. This project was recommended by VTA's security project prioritization review.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Operating Costs: There will be increased maintenance costs associated with maintaining the CCTV equipment.

Funding Source	FY10	FY11
Federal-TSGP	\$1,709,570	\$0
State-Prop 1B Security	389,415	0
Total	\$2,098,985	\$0

10. Security Improvements

This project reserves grant funding identified specifically for transit security projects, including funds from the Federal Transit Security Grant Program (TSGP) and State I-Bonds. The specific activities will be identified, consistent with grant guidelines and assessments of projects.

Operating Costs: Operating cost impacts are unknown pending the identification of specific activities.

Funding Source	FY10	FY11
Federal-TSGP	\$0	\$3,000,000
State-Prop 1B Security	2,800,000	500,000
VTA Transit	77,846	0
Total	\$2,877,846	\$3,500,000

Light Rail Way, Power & Signal

11. Guadalupe Corridor Traction Power Substation Rehabilitation Program

This program will rehabilitate the existing traction power substations originally installed along the corridor 20 years ago, extending their useful life until they are ultimately replaced as part of the proposed Guadalupe Corridor Substation Replacement Program. Rehabilitation will include inspection and possible replacement of disconnect switches, DC control, and breakers.

Operating Costs: Will reduce maintenance costs and operating costs associated with equipment downtime.

Funding Source	FY10	FY11
Federal-Sec. 5309	\$2,025,000	\$1,425,000
State-Prop 1B PTMISEA	675,000	475,000
Total	\$2,700,000	\$1,900,000

12. Guadalupe Corridor O.C.S. Rehabilitation & Replacement Program

The Overhead Catenary System (OCS) is over 20 years old and a recent study identified elements of the system that should be either rehabilitated or replaced. These elements include contact wire, steady arms, section insulators, and under-bridge supports.

Operating Costs: Will reduce maintenance costs and operating costs associated with equipment downtime.

Funding Source	FY10	FY11
Federal-Sec. 5309	\$693,750	\$2,756,250
State-Prop 1B PTMISEA	231,250	918,750
Total	\$925,000	\$3,675,000

13. Laser Intrusion Detection System - Hamilton LRT Station

This project funds the purchase and installation of a laser intrusion detection system, with sensors mounted near both ends of the station platform, as well as sensors at both ends of the elevated portion of the track. This system, similar to the system currently operating at the entrances to the Diridon tunnel portals, will allow trains to pass without alarm while triggering an alarm for anything that does not match the profile of a train.

Operating Costs: There is no measurable impact to operating costs. No additional CCTV viewing equipment or personnel is necessary for this project.

Funding Source	FY10	FY11
Federal-TSGP	\$601,185	\$0
State-Prop 1B Security	562,994	0
Total	\$1,164,179	\$0

14. Traction Power Substation Replacement Program

This program will ultimately replace the 14 traction power substations originally installed along the corridor 20 years ago. Two of the 14 substations are already being replaced and this project request will replace up to another three substations. The plan calls for four substations to be replaced every five years. The remaining substations will undergo major rehabilitation, as part of the proposed Guadalupe Corridor Substation Rehabilitation Program, until such time as they are replaced under this program.

Operating Costs: Will reduce maintenance costs and operating costs associated with equipment downtime.

Funding Source	FY10	FY11
Federal-Sec. 5309	\$4,050,000	\$0
State-Prop 1B PTMISEA	1,350,000	0
Total	\$5,400,000	\$0

15. Rail Replacement and Rehabilitation

This ongoing activity helps maintain running the Light Rail system at optimum levels. Work on rail that can be preserved may include the use of welding to extend its life. Rail that has begun to exhibit surface and subsurface cracking must be replaced. FY 2010 and FY 2011 activities will include work at First & Younger.

Operating Costs: No direct operating cost impact, but eliminates potential operating cost impacts related to rail failures.

Funding Source	FY10	FY11
Federal-Sec. 5309	\$2,301,750	\$1,683,000
State-Prop 1B PTMISEA	767,250	561,000
Total	\$3,069,000	\$2,244,000

Passenger Facilities

16. Bus Stop Pavement, Duckouts & Accessibility Improvements

VTA is committed to maintaining and improving safe bus stops, bus stop accessibility and sound operating conditions for transit vehicles, operators and our customers. This project will provide for ADA accessibility improvements and pavement repairs at bus stops throughout the County. The Committee for Transit Accessibility (CTA) has previously developed a prioritized list of bus stops for ADA improvements. This project is funded through a Federal Section 5307 grant and requires a 20% match of local funds.

Operating Costs: There would be maintenance cost savings associated with keeping bus stops in a state of good repair.

Funding Source	FY10	FY11
Federal-Sec. 5307	\$582,446	\$421,942
VTA Transit	145,612	105,486
Total	\$728,058	\$527,428

17. ELocker Retrofit Program

This project continues VTA's efforts to convert existing bike lockers at various park & ride lots to utilize electronic locks. These locks will allow better, more efficient utilization of existing bike lockers.

Operating Costs: Operating cost impacts would be minimal.

Funding Source	FY10	FY11
Other-TBD	\$63,750	\$63,750
VTA Transit	11,250	11,250
Total	\$75,000	\$75,000

Information Systems, Communications, and Technology

18. Technology Infrastructure Replacement Fund

VTA is setting up a contingency specifically to address the need for replacement of critical technology infrastructure as needs arise over the two-year timeframe. The Technology Department will be responsible for managing these funds.

Operating Costs: Technology infrastructure replacement may result in some maintenance savings.

Funding Source	FY10	FY11
VTA Transit	\$300,000	\$0
Total	\$300,000	\$0

19. Radio Narrowbanding

New FCC regulations will require VTA to reduce its existing bandwidth from 25 kHz to 12.5 kHz by January 1, 2013. This project will include additional radio equipment, as well as realignment of existing equipment to work on narrowband frequencies.

Operating Costs: There are potential minor additional operating costs associated with the radio system.

Funding Source	FY10	FY11
VTA Transit	\$0	\$690,000
Total	\$0	\$690,000

20. Real-Time Information (RTI)

This request augments the existing project to provide for electronic signage at transit centers and selected bus stops, integrating with the regional 511 system, to provide passengers with accurate and timely information. This augmentation will be funded from regional RM2 funds.

Operating Costs: The first two years of system operating costs will be charged to the project. It is anticipated that this project will generate additional revenue from increasing ridership.

Funding Source	FY10	FY11
State-RM2	\$2,530,000	\$0
Total	\$2,530,000	\$0

Miscellaneous

21. Caltrain Capital – Annual Local Match

The local capital funds that Caltrain receives from VTA and the other two funding partners are used to match state and federal grant funds that are provided to Caltrain. Most Caltrain capital projects are funded with a combination of federal and local funds, and the costs are split equally by the three member agencies. This budget includes \$2.9 million in FY 2010 and \$3.0 million in FY 2011 to support Caltrain’s Capital Budget.

Operating Costs: Caltrain has yet to finalize the specific projects that will be funded. Operating and maintenance costs for Caltrain service are incorporated within the Caltrain Operating subsidy.

Funding Source	FY10	FY11
VTA Transit	\$2,931,000	\$3,019,000
Total	\$2,931,000	\$3,019,000

22. Caltrain Right-of-way (ROW)

The initial ROW was purchased from the Southern Pacific Transportation Company by the Peninsula Corridor Joint Powers Board (PCJPB) in 1991 for \$202 million. The State of California contributed \$120 million, leaving a \$82 million shortfall. SamTrans agreed to pay the difference and the other two partners, SF Muni and VTA entered into an agreement to repay SamTrans for their shares. VTA agreed to reimburse SamTrans \$8 million using gasoline sales tax revenue-based “spill-over” funds over a number of years. The remaining amount owed by VTA is \$7,177,270. The appropriation for this project allows VTA to recognize the liability in the annual financial statements; however, actual payment would not be made unless external funding becomes available, pursuant to an agreement with MTC and SamTrans.

Funding Source	FY10	FY11
Other-TBD	\$7,177,270	\$0
Total	\$7,177,270	\$0

23. Joint Development – Sites A, B & C

VTA is currently developing a portfolio of potential project opportunities for the Joint Development Program. These funds would be used for three sites to be determined and would be funded from developer deposits and other funds.

Operating Costs: There are no operating cost impacts due to this project. However, it is anticipated that these developments would provide VTA with an on-going revenue stream.

Funding Source	FY10	FY11
Other-Developer	\$300,000	\$0
Total	\$300,000	\$0

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

24. West San Carlos Remediation and Demolition

VTA is currently working with a developer on a joint development project on property at the southwest corner of Sunol and West San Carlos in San Jose. The agreement calls for VTA to remove all existing improvements and perform all remediation work, for which the developer will provide reimbursement to VTA.

Operating Costs: There are no operating cost impacts due to this project.

Funding Source	FY10	FY11
Other-Developer	\$325,000	\$625,000
Total	\$325,000	\$625,000

VTA Transit Projected Capital Carryover

Capital project appropriations, with the exception of the VTA Transit Capital Contingency, do not expire at the end of the fiscal year and are carried forward until the project is completed. Appropriation for the VTA Transit Capital Contingency expires at the end of the two-year budget cycle. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover at the end of each fiscal year is reported as restricted assets on the agencies financial statements. The following table reflects the projected carryover at 6/30/09 as well as the additional appropriation, estimated expenditures, and projected year-end carryover for FY 2010 and FY 2011 by project.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
P0409	Emissions Retrofit of Bus Diesel Engines	Federal	1,859	1,203	656	0	0	656	0	656	0
		State	240	227	14	0	0	14	0	14	0
		VTA Transit	3,278	1,307	1,971	0	0	1,971	0	1,971	0
		Total	5,378	2,737	2,641	0	0	2,641	0	2,641	0
P0561	LRV CCTV Surveillance	VTA Transit	1,826	1,705	120	0	108	12	0	12	0
P0624	Bus Farebox Replacement	State	10,000	0	10,000	0	1,156	8,844	0	8,844	0
		VTA Transit	498	0	498	0	289	209	0	209	0
		Total	10,498	0	10,498	0	1,445	9,053	0	9,053	0
P0662	Small Capacity Replacement Buses	Federal	3,218	0	3,218	0	34	3,185	0	3,185	0
		State	750	0	750	0	0	750	0	750	0
		VTA Transit	58	0	58	0	6	52	0	52	0
		Total	4,026	0	4,026	0	40	3,987	0	3,987	0
P0663	Bus Surveillance Equip. Replacement	Federal	987	0	987	1,521	0	2,508	0	2,508	0
		State	213	0	213	0	0	213	0	1,213	0
		VTA Transit	300	0	300	0	0	300	0	300	0
		Total	1,500	0	1,500	1,521	0	3,021	0	3,021	0
P0664	Paratransit Vehicles	Federal	637	0	637	0	637	0	0	0	0
		VTA Transit	159	0	159	0	159	0	0	0	0
		Total	796	0	796	0	796	0	0	0	0
P0687	Advanced ZEB Demonstration Project	VTA Transit	6,248	1,666	4,582	0	4,582	0	0	0	0
P0698	40' Hybrid Diesel Buses	Federal	0	0	0	47,153	0	47,153	0	47,153	0
		State	0	0	0	4,653	0	4,653	0	4,653	0
		VTA Transit	40	6	34	0	34	0	0	0	0
		Total	40	6	34	51,806	34	51,806	0	51,806	0
P0710	Light Rail Vehicle Repair	Other	0	0	0	1,900	1,900	0	0	0	0
		VTA Transit	0	0	0	250	250	0	0	0	0
		Total	0	0	0	2,150	2,150	0	0	0	0
P0716	Paratransit Vehicles	State	0	0	0	6,664	6,664	0	973	973	0
		Revenue Vehicles & Equipment Total	30,311	6,115	24,196	62,141	15,818	70,520	973	71,493	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
P0481	NRV Procurement	State	28	28	0	0	0	0	0	0	0
		VTA Transit	380	379	2	0	2	0	0	0	0
		Total	409	407	2	0	2	0	0	0	0
P0642	NRV Procurement	VTA Transit	811	785	26	0	26	0	0	0	0
P0713	CARB Vehicle Compliance Program	State	0	0	0	2,608	2,608	0	0	0	0
Non-Revenue Vehicles Total			1,220	1,192	27	2,608	2,635	0	0	0	0
P0019	Line 22 Improvements	Federal	50	15	35	0	35	0	0	0	0
		State	1,630	1,630	0	0	0	0	0	0	0
		VTA Transit	1,685	1,675	10	0	10	0	0	0	0
		Total	3,365	3,321	45	0	45	0	0	0	0
P0427	HazMat Removal / Fac, Design & Const	VTA Transit	464	149	316	0	316	0	0	0	0
P0482	Translink	State	2,238	1,797	440	0	440	0	0	0	0
P0484	Cerone Fuel Island, Security / Fire Improv	Federal	485	480	6	0	6	0	0	0	0
		VTA Transit	429	239	190	0	190	0	0	0	0
		Total	914	719	195	0	195	0	0	0	0
P0540	Fac. Maint. Equip. Replacement Prog.	VTA Transit	408	189	220	0	220	0	0	0	0
P0572	Bus Signal Priority	Federal	729	133	596	0	596	0	0	0	0
		VTA Transit	182	33	149	0	149	0	0	0	0
		Total	911	167	744	0	744	0	0	0	0
P0576	Closed Circuit TV Ph.I, II, & III	Federal	1,377	210	1,168	0	1,126	42	0	42	0
		State	532	99	433	0	384	50	0	50	0
		VTA Transit	88	23	65	0	65	0	0	0	0
		Total	1,998	332	1,666	0	1,575	91	0	91	0
P0603	Rail Simulation Project	VTA Transit	250	131	119	0	50	69	0	69	0
P0605	Portable Bus Wheel Alignment System	VTA Transit	75	0	75	0	75	0	0	0	0
P0609	Community Bus Unleaded Fuel Sta.-Chaboya	VTA Transit	908	341	567	0	567	0	0	0	0
P0627	Facility Maint. Equip. Replacement Plan	VTA Transit	245	236	9	0	9	0	0	0	0
P0629	Roofing Management Program	VTA Transit	822	459	363	0	363	0	0	0	0
P0631	Painting Management Program	VTA Transit	1,736	305	1,431	0	927	504	0	504	0
P0633	HVAC Scheduled Replacement Program	VTA Transit	783	504	280	0	280	0	0	0	0
P0636	Pavement Management Program	VTA Transit	840	490	350	0	100	250	0	250	0
P0637	Chaboya Division Bus Wash	Federal	796	292	504	0	504	0	0	0	0
		VTA Transit	199	73	126	0	126	0	0	0	0
		Total	995	365	630	0	630	0	0	0	0
P0639	Paint Mixing Room at Guadalupe LR	VTA Transit	299	153	147	0	147	0	0	0	0
P0646	Green Sustainability Facility Improvements	VTA Transit	3,000	2,158	842	0	842	0	0	0	0
P0667	Emergency Lighting	VTA Transit	18	11	7	0	7	0	0	0	0
P0669	Small Bus Operating Facility Upgrades	VTA Transit	2,790	32	2,759	0	1,455	1,304	0	1,304	0
P0671	Facility Maint. Equip. Replacement Plan	VTA Transit	300	0	300	0	300	0	0	0	0
P0672	Facility & Equip Emergency Repair	VTA Transit	131	0	131	0	131	0	0	0	0
P0673	Roofing Management Program	VTA Transit	204	199	5	0	5	0	0	0	0
P0674	Painting Management Program	VTA Transit	1,848	164	1,684	0	25	1,659	0	1,659	0
P0675	Pavement Management Program	VTA Transit	717	226	490	0	30	460	0	460	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
P0682	Cerone Division High Security Fence	State	1,645	228	1,417	0	1,417	0	0	0	0
		VTA Transit	123	23	101	0	101	0	0	0	0
		Total	1,768	250	1,518	0	1,518	0	0	0	0
P0683	Emergency Security Telephones	State	550	11	539	0	539	0	0	0	0
		VTA Transit	40	0	40	0	40	0	0	0	0
		Total	590	11	579	0	579	0	0	0	0
P0684	Chaboya Division Security Improvements	Federal	296	0	296	1,464	296	1,464	0	1,464	0
		State	982	0	982	0	982	0	0	0	0
		Total	1,278	0	1,278	1,464	1,278	1,464	0	1,464	0
P0686	SCADA Off-Line Test Bench System	VTA Transit	185	0	185	0	185	0	0	0	0
P0690	Money Room CCTV Project	VTA Transit	70	11	59	0	59	0	0	0	0
P0697	Guadalupe Division CCTV	Federal	0	0	0	1,710	1,710	0	0	0	0
		State	200	102	98	389	487	0	0	0	0
		Total	200	102	98	2,099	2,197	0	0	0	0
P0701	Guadalupe Fire Alarm	VTA Transit	60	0	60	0	60	0	0	0	0
P0704	Facility & Equip Emergency Repair	VTA Transit	0	0	0	725	725	0	0	0	0
P0714	Emergency Power Generator Upgrade	State	0	0	0	942	942	0	0	0	0
Operating Facilities & Equipment Total			30,412	12,821	17,591	5,230	17,019	5,802	0	5,802	0
P0394	Guadalupe Corridor Right-of-way Disposition.	VTA Transit	1,129	962	167	0	167	0	0	0	0
P0471	Measure B Rail Projects Overhead	VTA Transit	8,596	8,475	121	0	121	0	0	0	0
Rail Facility Expansion Total			9,724	9,437	287	0	287	0	0	0	0
P0536	Rail Replacement & Rehabilitation	Federal	2,976	2,428	548	0	548	0	0	0	0
		VTA Transit	744	606	138	0	138	0	0	0	0
		Total	3,721	3,034	686	0	686	0	0	0	0
P0567	Tasman West ROW Closeout	VTA Transit	242	167	75	0	75	0	0	0	0
P0577	Laser Intrusion Detection System	Federal	504	0	504	0	504	0	0	0	0
		State	563	237	326	0	326	0	0	0	0
		VTA Transit	80	17	63	0	63	0	0	0	0
		Total	1,147	253	894	0	894	0	0	0	0
P0610	LR Bridge/Structural Inspection Project	VTA Transit	470	395	75	0	75	0	0	0	0
P0626	Guad Corr Traction Power Substation Rehab	Federal	522	261	262	2,025	2,287	0	1,425	1,425	0
		State	0	0	0	675	675	0	475	475	0
		VTA Transit	481	47	434	0	310	124	0	124	0
Total	1,003	308	695	2,700	3,271	124	1,900	2,024	0		
P0643	Cooling Sysfor LR Signal/Comm Cabinets	VTA Transit	314	13	302	0	302	0	0	0	0
P0666	Left Turn/Track Intrusion Abatement Phase II	Federal	1,208	179	1,029	0	818	210	0	210	0
		VTA Transit	403	44	359	0	205	153	0	153	0
		Total	1,611	223	1,388	0	1,024	364	0	364	0
P0670	Rail Replacement & Rehabilitation	Federal	1,607	145	1,463	2,302	3,764	0	1,683	1,683	0
		State	0	0	0	767	767	0	561	561	0
		VTA Transit	536	36	500	0	500	0	0	0	0
		Total	2,143	181	1,962	3,069	5,031	0	2,244	2,244	0
P0681	Left Turn/Track Intrusion Abatement Phase I	VTA Transit	2,350	72	2,278	0	2,278	0	0	0	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
P0689	Traction Power Substation Replacement	Federal	0	0	0	4,050	4,050	0	0	0	0
		State	0	0	0	1,350	1,350	0	0	0	0
		VTA Transit	2,700	17	2,683	0	2,591	92	0	92	0
		Total	2,700	17	2,683	5,400	7,991	92	0	92	0
P0695	Wayside Worker Safety Notification Sys.	VTA Transit	871	0	871	0	871	0	0	0	0
P0696	Light Rail Signal Retrofit	VTA Transit	110	0	110	0	110	0	0	0	0
P0705	Laser Intrusion Detection Sys-Hamilton Stn	Federal	0	0	0	601	601	0	0	0	0
		State	0	0	0	563	563	0	0	0	0
		Total	0	0	0	1,164	1,164	0	0	0	0
P0707	Guadalupe OCS Rehab & Replacement	Federal	0	0	0	694	694	0	2,756	2,756	0
		State	0	0	0	231	231	0	919	919	0
		Total	0	0	0	925	925	0	3,675	3,675	0
Light Rail Way, Power & Signal Total			16,681	4,664	12,017	13,258	24,696	580	7,819	8,398	0
P0457	VTA Pilot Bicycle Parking Program	State	99	39	60	0	60	0	0	0	0
		Other	101	100	0	0	0	0	0	0	0
		Total	200	140	60	0	60	0	0	0	0
P0548	DeAnza Transit Center	Federal	866	272	595	0	170	424	0	424	0
		VTA Transit	1,718	897	821	0	452	369	0	369	0
		Total	2,584	1,168	1,415	0	623	793	0	793	0
P0625	Guadalupe Corr Platform Retrofit-South Line	Federal	17,497	13,907	3,590	0	3,590	0	0	0	0
		VTA Transit	6,820	5,871	949	0	949	0	0	0	0
		Total	24,317	19,778	4,539	0	4,539	0	0	0	0
P0632	CCTV-Convention Center & Tasman LR	Federal	433	0	433	0	433	0	3,000	3,000	0
		State	0	0	0	2,800	2,800	0	500	500	0
		VTA Transit	211	0	211	78	289	0	0	0	0
		Total	644	0	644	2,878	3,522	0	3,500	3,500	0
P0638	Bus Stop Pavement/Duckout Improv	Federal	619	596	23	0	23	0	0	0	0
		VTA Transit	155	149	6	0	6	0	0	0	0
		Total	774	745	29	0	29	0	0	0	0
P0641	Upgrade LR Station Public Address System	Federal	1,205	254	951	0	951	0	0	0	0
		VTA Transit	301	63	238	0	238	0	0	0	0
		Total	1,506	317	1,189	0	1,189	0	0	0	0
P0665	Transit Enhancement Projects	Federal	343	0	343	0	343	0	0	0	0
		VTA Transit	86	0	86	0	86	0	0	0	0
		Total	429	0	429	0	429	0	0	0	0
P0676	Bus Stop Pavement/Duckout Improv	Federal	543	36	507	0	507	0	0	0	0
		VTA Transit	136	9	127	0	127	0	0	0	0
		Total	679	44	634	0	634	0	0	0	0
P0688	ELocker Retrofit Program	State	23	0	23	0	23	0	0	0	0
		Other	25	0	25	64	89	0	64	64	0
		VTA Transit	0	0	0	11	11	0	11	11	0
		Total	48	0	48	75	123	0	75	75	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
Passenger Facilities Total			31,180	22,192	8,988	3,681	11,876	793	4,102	4,895	0
P0049	Advanced Communications System (ACS)	Federal	12,720	12,720	0	0	0	0	0	0	0
		VTA Transit	7,463	7,356	107	0	107	0	0	0	0
		Total	20,183	20,076	107	0	107	0	0	0	0
P0329	Real Time Information (RTI)	Federal	2,353	159	2,194	0	2,194	0	0	0	0
		State	0	0	0	2,530	2,530	0	0	0	0
		VTA Transit	1,161	64	1,097	0	1,097	0	0	0	0
		Total	3,514	223	3,291	2,530	5,821	0	0	0	0
P0545	SAP Redeployment/Upgrade	VTA Transit	10,413	8,271	2,142	0	2,142	0	0	0	0
P0546	Translink TVM Integration	State	7,032	671	6,361	0	6,361	0	0	0	0
		VTA Transit	620	16	604	0	604	0	0	0	0
		Total	7,652	687	6,965	0	6,965	0	0	0	0
P0608	TransLink Information Mangmt Sys (CIMS)	State	3,400	1,223	2,177	0	2,177	0	0	0	0
P0616	Board Office Document Processing Automation	VTA Transit	134	98	36	0	24	12	0	12	0
P0630	Server Replacement	VTA Transit	2,194	1,191	1,003	0	502	502	0	502	0
P0634	Router Memory Upgrade	VTA Transit	359	301	58	0	58	0	0	0	0
P0635	Customer Service Information Management	VTA Transit	68	24	44	0	19	25	0	25	0
P0659	Transportation Management Systems Integration	VTA Transit	146	108	39	0	0	39	0	39	0
P0700	Video Server/Digital Video Recorder	VTA Transit	21	19	2	0	2	0	0	0	0
P0711	Technology Infrastructure Replacement Fund	VTA Transit	0	0	0	300	300	0	0	0	0
NEW	Radio Narrowbanding	VTA Transit	0	0	0	0	0	0	690	690	0
Information Systems & Technology Total			48,085	32,221	15,864	2,830	18,117	577	690	1,267	0
P0555	Tasman Bio Mitigation	VTA Transit	75	71	4	0	4	0	0	0	0
P0680	Caltrain Right-of-way	Other	0	0	0	7,177	7,177	0	0	0	0
		VTA Transit	823	823	0	0	0	0	0	0	0
		Total	823	823	0	7,177	7,177	0	0	0	0
P0691	Facilities Master Plan Study	VTA Transit	560	10	550	0	460	91	0	91	0
P0692	West San Carlos Developer Cost Fund	Other	100	16	84	0	84	0	0	0	0
P0693	W. San Carlos Remediation and Demolition	Other	50	12	38	325	363	0	625	625	0
P0702	Color Scanner	VTA Transit	31	0	31	0	31	0	0	0	0
P0709	Joint Development - Sites A, B & C	Other	0	0	0	300	300	0	0	0	0
P0718	Caltrain Capital - Annual Local Match	VTA Transit	0	0	0	2,931	2,931	0	0	0	0
NEW	Caltrain Capital - Annual Local Match	VTA Transit	0	0	0	0	0	0	3,019	3,019	0
A1000	Capital Contingency	VTA Transit	0	0	0	2,000	1,000	1,000	0	1,000	0
Miscellaneous Total			1,638	931	707	12,733	12,350	1,091	3,644	4,735	0
Grand Total			169,251	89,573	79,678	102,481	102,798	79,361	17,228	96,590	0

VTA Transit Debt Service

Debt Policy Overview

VTA's debt policy permits issuance of long-term debt to accomplish the following objectives: accelerate the delivery of projects, spread cost over the useful life of an asset, smooth out annual cash flow, optimize overall financial resources, finance unfunded actuarial liabilities, and refundings. As of June 30, 2009, VTA had five outstanding bond issues secured by 1976 half-cent sales tax revenues.

VTA's debt policy states that debt affordability shall be determined by the requirements of VTA's bond indentures (e.g. additional bonds test/debt service coverage) and VTA's ability to meet all of its on-going operating, capital and reserve requirements. The bond indenture for issues secured by the 1976 half-cent sales tax requires a minimum gross sales tax revenue bond coverage ratio of 2.0 times annual debt service with a debt service reserve fund or 3.0 times annual debt service without a debt service reserve fund. The table below shows the calculation of the debt coverage ratio for FY 2010 and FY 2011.

Debt Coverage Ratio ***Issues Secured by 1976 Half-Cent Sales Tax*** *(Dollars in Thousands)*

	FY10	FY11
Sales Tax Revenues	144,420	140,088
Debt Service ¹	18,814	18,630
Coverage Ratio	7.7	7.5

¹Principal and Interest

The tables on the following pages show additional information about outstanding debt secured by the 1976 half-cent sales tax.

Outstanding Debt as of 6/30/09
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)

Series	Type of Debt	Interest Rate	Par Amount
1998 Series A Junior Lien	Variable Rate	1.95% ¹	38,605
2000 Series A Junior Lien	Variable Rate	1.95% ²	31,500
2001 Series A Senior Lien	Traditional Fixed	5.08% ³	6,940
2007 Series A Refunding	Traditional Fixed	3.97% ⁴	26,275
2008 Series A-C Refunding	Synthetically Fixed	3.67% ⁵	167,390
Total			270,710

¹ June 30, 2009 rate including liquidity and remarketing fees

² June 30, 2009 rate including liquidity and remarketing fees

³ All-in TIC

⁴ All-in TIC

⁵ Including liquidity and remarketing fees

Debt Service Schedule
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)

Fiscal Year	Principal	Interest	Total
2010	9,180	9,634	18,814
2011	9,370	9,260	18,630
2012	9,520	8,834	18,354
2013	9,840	8,474	18,314
2014	9,860	8,100	17,960
2015-2019	75,280	33,817	109,097
2020-2024	95,295	18,876	114,171
2025-2029	52,365	3,489	55,854
2030-2034	0	0	0
2035-2036	0	0	0
	270,710	100,484	371,194

***FY 2010 and FY 2011 Debt Service Detail
Sales Tax Revenues Bonds
Secured by 1976 Half-Cent Sales Tax
(Dollars in Thousands)***

Series	FY10 Adopted Budget	FY11 Adopted Budget
Interest Expense	9,634	9,260
Principal	9,180	9,370
Other Bond Charges ¹	2,079	2,059
Total	20,893	20,689

¹ Includes liquidity, remarketing, and trustee fees

VTA Transit Debt Service cont.

Overview of Outstanding Debt Issues

1998 Series A Junior Lien

In March 1998 \$50 million of 1998 Series A Junior Lien Sales Tax Revenues Bonds (1998 Bonds) were issued through the California Transit Variable Rate Program of the California Transit Finance Authority (CTFA), to finance certain capital expenditures. The 1998 Bonds bear interest at a weekly rate, which is determined by the Remarketing Agent to be the rate necessary to remarket the bonds at par value. Their maturities extend to October 1, 2027 and are subject to mandatory and optional redemption provisions.

2000 Series A Junior Lien

In November 2000 \$40 million of 2000 Series A Junior Lien Sales Tax Revenue Bonds (2000 Bonds) were issued through the California Transit Variable Rate Program of the California Transit Finance Authority (CTFA), to finance certain capital expenditures. The 2000 Bonds bear interest at a weekly rate, which is determined by the Remarketing Agent to be the rate necessary to remarket the bonds at par value. Their maturities extend to October 1, 2027 and are subject to mandatory and optional redemption provisions.

2001 Series A Senior Lien

In May 2001 \$200 million of 2001 Series A Senior Lien Sales Tax Revenue Bonds (2001 Bonds) were issued, at a true interest cost of 5.08%, to finance portions of the Tasman East, Vasona, and Capitol Corridor Light Rail projects. Their maturities extended through June 1, 2026. Maturities through June 1, 2011 are not subject to redemption before their maturities. Maturities from June 1, 2012 through June 1, 2026 (the Defeased 2001 Bonds) were defeased from proceeds of the 2005 Series A - C Sales Tax Revenue Refunding Bonds and will be redeemed on June 1, 2012. Such proceeds were placed in an escrow account held by a Trustee to provide for future debt service payments on the Defeased 2001 Bonds through their redemption date.

2007 Series A Refunding

In April 2007 \$26.3 million of 2007 Series A Sales Tax Revenue Refunding Bonds (2007 Bonds) were issued, at a true interest cost of 3.97%, to current refund a portion of the 1997 Series A Sales Tax Revenue Bonds, maturing in series on each June 1st from 2010 – 2021 (Defeased 1997 Bonds). The Defeased 1997 Bonds were originally issued to advance refund 1991 Series A Sales Tax Revenue Bonds, advance refund 1994 Series C Certificates of Participation, and to pay for certain capital expenditures. Proceeds of the 2007 Bonds were deposited into an escrow account held by a Trustee, and were used to pay the principal and accrued interest on the Defeased 1997 Bonds on the redemption date of June 1, 2007. VTA realized cash flow savings of approximately \$2.1 million.

2008 Series A-C Refunding

In June 2008 \$168.6 million of 2008 Series A-C Sales Tax Revenue Refunding Bonds (2008 VTA Bonds) were issued to current refund the 2005 Bonds (Defeased 2005 Bonds), originally issued to finance the retirement of a portion of 2001 Bonds. The 2008 VTA Bonds were issued as variable rate demand bonds and bear interest at a weekly rate, which is determined by the Remarketing Agent to be the rate necessary to remarket the 2008 VTA Bonds at par value. The Defeased 2005 Bonds were insured by Ambac Assurance Corporation, a municipal insurance provider, who had been downgraded by all three national rating agencies in January 2008. As a result of the downgrade, VTA was paying weekly interest rates that were above market rates. The 2008 VTA Bonds were issued as uninsured weekly variable rate bonds to eliminate the higher interest rates associated with Ambac-insured variable rate demand bonds. There was no cash flow savings or economic gain or loss associated with this refunding. The maturities of the 2008 VTA Bonds extend to June 1, 2026 and are subject to optional and mandatory redemption and optional and mandatory tender for purchase before maturity.



SECTION 3
2000 MEASURE A TRANSIT
IMPROVEMENT PROGRAM



2000 Measure A Transit Improvement Program

Overview

The 2000 Measure A Transit Improvement Program, a 30-year plan of major transit improvement capital projects, was approved in November 2000 by over 70 percent of Santa Clara County voters. The 2000 Measure A Ordinance implemented a 30-year half-cent sales tax that became effective on April 1, 2006 and is scheduled to expire on March 31, 2036. The 2000 Measure A Sales Tax (Tax) is a special retail transactions and use tax of one half of one percent (0.5%) of the gross receipts of retailers from the sale of all tangible personal property sold at retail in the County and a use tax at the same rate upon the storage, use or other consumption in the County, subject to certain exceptions. Pursuant to the ballot measure, revenues from the Tax are limited to the following uses:

- Fund operating and maintenance costs for increased bus, rail and paratransit service.
- Extend BART from Fremont through Milpitas to Downtown San Jose and the Santa Clara Caltrain Station.
- Provide connections from Mineta San Jose International Airport to BART, Caltrain and VTA light rail.
- Extend Light Rail from Downtown San Jose to the East Valley.
- Purchase low-floor light rail vehicles.
- Improve Caltrain: double-track to Gilroy and electrify from Palo Alto to Gilroy.
- Increase Caltrain service.
- Construct a new Palo Alto Intermodal Transit Center.
- Improve bus service in major bus corridors.
- Upgrade Altamont Commuter Express (ACE).
- Improve Highway 17 Express bus service.
- Connect Caltrain with Dumbarton Rail Corridor.
- Purchase Zero Emission buses and construct service facilities.
- Develop new light rail corridors.

The 2000 Measure A Transit Improvement Program budget appropriation is broken into two major components. The operating budget includes appropriation for non-project specific expenditures such as professional services, debt service, and operating assistance to VTA Transit. The capital budget appropriation is comprised of the anticipated expenditures on capital projects for the two-year budget period.

2000 Measure A Transit Improvement Program cont. Operating Budget Assumptions

Revenues

2000 Measure A Half-Cent Sales Tax

VTA experienced the first hint that a recession was looming by the quarter ending September 2007, when year over year growth in sales tax revenues slowed to less than 1%. In fact, according to the National Bureau of Economic Research, a recession did begin in December 2007.

The fall of housing prices from peak levels have cut deeply into home building and home purchases, and has also caused a sharp rise in mortgage foreclosures. This has resulted in a reduction of wealth and a severe tightening of credit—contributing to a reduction in the amount of spending by business and families.

FY 2008 ended with a 4th quarter decline of 2.9%, followed by declines of 2.1%, 9.5% and 20.7% in the first three quarters, respectively, of FY 2009. As of this writing, current projections reflect a 12.1% decline for the fiscal year.

The adopted budget assumes that declines will continue throughout the next two fiscal years primarily due to projections of continued job loss through December 2010, the reduction of available credit resulting from the decline in home values, and general tightening of credit. With reduced home values and tight credit, it is unlikely we will see the same levels of personal consumption, and therefore growth in sales tax revenues, that were experienced in the post-dot.com bust era. FY 2010 reflects an assumed 5% decline from FY 2009 projected sales tax revenues; followed by a 3% decline in FY 2011.

Investment Earnings

The investment earnings are derived from three primary sources; short, mid, and long-term fixed income investment portfolios. Pursuant to VTA's adopted investment policy, 100% of surplus assets are invested in domestic fixed income. All three portfolios are invested by a money manager whose performance is evaluated by comparing actual earnings against the appropriate benchmark for each portfolio's duration. The estimated earnings rate for these funds is 2.0% in FY 2010 and 3.0% in FY 2011.

Expenses

VTA Operating Assistance

A portion of the 2000 Measure A tax is used to provide operating assistance for VTA Transit. The Adopted Biennial Budget includes 18.5% of the 2000 Measure A sales tax revenue to be paid to VTA Transit for use in funding VTA operations.

***2000 Measure A Transit Improvement Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY08 Actual	FY 09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
1	2000 Half-Cent Sales Tax	160,537	179,531	142,192	142,926	734	0.5%	138,638	(4,288)	-3.0%
2	Investment Earnings	11,742	592	10,819	4,769	(6,050)	-55.9%	7,154	2,385	50.0%
3	Other Income	376	350	410	415	5	1.2%	372	(43)	-10.4%
4	Total Revenue	172,655	180,473	153,421	148,110	(5,311)	-3.5%	146,164	(1,946)	-1.3%
5	VTA Operating Assistance	29,630	33,136	26,244	26,380	136	0.5%	25,588	(792)	-3.0%
6	Professional & Special Services	299	500	457	485	28	6.1%	493	8	1.6%
7	Contributions to Other Agencies	0	0	999	150	(849)	-85.0%	150	0	0.0%
8	Debt Service	16,651	21,675	15,335	18,603	3,268	21.3%	21,046	2,443	13.1%
9	Repayment Obligation	12,886	11,057	12,260	12,100	(160)	-1.3%	12,000	(100)	-0.8%
10	Total Expense	59,466	66,368	55,295	57,718	2,423	4.4%	59,277	1,559	2.7%
11	Surplus/(Deficit) to Reserves	113,189	114,105	98,126	90,392			86,887		

¹ Preliminary Unaudited

Note: Totals may not be precise due to independent rounding

***Major Variances
(Variance in excess of 5% and \$100,000)***

Revenues

Investment Earnings:

Earnings on investments are expected to decline \$6.1 million in FY 2010 but increase by \$2.3 million in FY 2011 primarily due to an anticipated decline in interest rates from FY 2009. FY 2010 and FY 2011 budgeted interest rates are 2.0% and 3.0%, respectively, while the average actual rate for FY 2009 was 4.2%.

Expenses

Contributions to Other Agencies:

FY 2010 budget reflects a decrease of \$849 thousand from prior year actual. FY 2009 actual includes a \$999 thousand payment to the County of Santa Clara for the cost of placing Measure B, a one-quarter percent sales tax for SVRT operating costs, on the November 2008 ballot. This decrease is offset by \$150 thousand of Advance Zero Emission Bus (ZEB) Demo Project operating costs to AC Transit budgeted in both FY 2010 and FY 2011.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Debt Service:

FY 2010 budget reflects a \$3.2 million increase from FY 2009 actual due to the following: budgeted anticipated increase in interest expense from difference between payments to bondholders versus payments from swap counterparties, and increased liquidity fees due to reduction of qualified banks willing to provide services in current market. FY 2011 budget reflects a \$2.4 million increase from FY 2010 due to principal payment on Measure A 2007 Series A Bonds.

***2000 Measure A Transit Improvement Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY09 Actual¹</u>	<u>FY10 Adopted Budget</u>	<u>FY11 Adopted Budget</u>
1	Total Revenues	153,421	148,110	146,164
2	Total Non-Project Expenses	<u>55,295</u>	<u>57,718</u>	<u>59,277</u>
3	Revenues Over (Under) Expenses	98,126	90,392	86,887
4	Project Expenditures	140,572	359,847	302,258
5	Less: Funding from Grants & Other Sources	<u>(54,990)</u>	<u>(147,969)</u>	<u>(152,983)</u>
6	2000 Measure A Share, drawn from Reserves	85,582	211,878	149,275
7	Beginning Undesignated Reserves	247,134	259,678	138,192
8	Revenues Over (Under) Expenses	98,126	90,392	86,887
9	2000 Measure A Share, drawn from Reserves for Capital	<u>(85,582)</u>	<u>(211,878)</u>	<u>(149,275)</u>
10	Ending Undesignated Reserves	259,678	138,192	75,804

¹ Preliminary Unaudited

2000 Measure A Transit Improvement Program cont. Capital Budget Assumptions

As outlined at a VTA Board Workshop in December 2008, and confirmed by the Board in February 2009, VTA modified its approach to budgeting for 2000 Measure A projects. The FY 2010 and FY 2011 capital budget more clearly reflects the planned capital spending that will be incurred in over the two-year period. This change is consistent with the recommendation of the California Bureau of State Audits, which noted that by focusing on near-term expenditures, VTA can better manage cash flow and reduce financing costs.

As part of this change, the FY 2010 and FY 2011 2000 Measure A capital budget includes “de-obligating” funding from several projects. These funds were previously authorized in a prior budget, but because of changed circumstances or program priorities, have not been spent and will not be spent within the next two fiscal years. By “de-obligating” previously approved budget authorization, the result is a budget that more accurately represents planned expenditures with budget authorization. An explanation for each project where funds have been de-obligated is provided in the project descriptions.

The Adopted FY 2010 and FY 2011 2000 Measure A capital program utilizes cash-on-hand and projected cash receipts, and does not rely on incurring additional debt. Total FY 2010 and FY 2011 project funding is appropriated in FY 2010 in order to facilitate administration of the program.

**2000 Measure A Transit Improvement Program
Schedule of FY 2010 & FY 2011 Appropriation
(Dollars in Thousands)**

Project	FY10 & FY11				Total
	Funding Source				
	Federal	State	Other	2000 Measure A	
1. Procurement of 40 BRT Articulated Buses	0	0	0	43,250	43,250
Revenue Vehicles & Equipment Total	0	0	0	43,250	43,250
2. BRT Santa Clara-Alum Rock Corridor	0	45,000	0	13,965	58,965
3. Bus Rapid Transit Strategic Plan	0	0	0	(20,410)	(20,410)
4. Stevens Creek BRT Concept Planning	0	0	0	1,000	1,000
5. El Camino Real BRT	0	0	0	9,600	9,600
6. Projects from Light Rail Systems Analysis	0	0	0	5,000	5,000
Operating Facilities & Equipment Total	0	45,000	0	9,155	54,155
7. Caltrain Electrification	0	0	0	800	800
8. Caltrain Mountain View Parking Structure	0	0	0	(9,230)	(9,230)
9. Caltrain Safety Enhancements	0	0	0	15,870	15,870
10. Caltrain Service Upgrades	0	0	0	(1,870)	(1,870)
11. Caltrain South County Capacity Improv.	0	0	0	(11,458)	(11,458)
12. Caltrain/UPRR Blossom Hill Ped. Grade Sep	0	0	0	500	500
13. Capitol Expressway Light Rail to Eastridge	25,000	0	20,000	(45,000)	0
14. Dumbarton Rail Corridor	0	0	0	(4,604)	(4,604)
15. Freight Rail Relocation Project	0	10,421	37,685	42,764	90,870
16. Light Rail Extension to Vasona	7,355	0	0	(7,355)	0
17. Santa Clara and SJ Diridon Station Upgrade	0	0	0	11,600	11,600
18. SC Sta. Pedestrian Underpass Extension	1,468	0	0	(6,388)	(4,920)
19. Silicon Valley BART Extension	0	97,322	10,000	65,055	172,377
20. Warm Springs BART Extension	0	8,000	0	8,000	16,000
Rail Facility Expansion Total	33,822	115,743	67,685	58,685	275,935
21. Environmental Impact Studies	0	0	0	1,000	1,000
22. Highway 17 Bus Service Improvements	0	0	0	2,075	2,075
23. Mineta Airport People Mover	0	0	0	2,000	2,000
24. Swap Payments to Other Agencies	0	0	0	32,190	32,190
Miscellaneous Total	0	0	0	37,265	37,265
Grand Total	33,822	160,743	67,685	148,355	410,606

Note: Totals may not be precise due to independent rounding

***2000 Measure A Transit Improvement Program cont.
Description of FY 2010 & FY 2011 Appropriated Projects***

Revenue Vehicles & Equipment

1. Procurement of 40 Articulated Hybrid Diesel Electric Buses

This project will fund the purchase of 40 articulated hybrid diesel electric buses for use on Bus Rapid Transit (BRT) lines. This acquisition will include installation of ACS equipment, along with fareboxes and CCTV.

Operating Costs: There will be additional operating and maintenance costs associated with operating Hybrid Diesel Buses due to more complex emission systems. Such costs are anticipated to be offset by fuel savings.

Funding Source	FY10 & FY11
2000 Measure A	\$43,250,000
Total	\$43,250,000

Operating Facilities & Equipment

2. Santa Clara-Alum Rock Transit Improvement Project

The Santa Clara-Alum Rock Transit Improvement Project is a phased transit enhancement in Santa Clara County’s highest ridership transit corridor. The first phase will introduce Bus Rapid Transit in the corridor with dedicated lanes on the eastern half of the corridor and mixed flow operations in the western segment. The BRT project is being designed to light rail standards, enabling a future conversion to Light Rail in a second phase after construction of the BART extension through downtown San Jose is complete. Staff is currently exploring options for making this project more competitive and will be reporting results to the Policy Advisory Board. In addition, VTA has initiated a federal environmental review to make this project eligible for federal stimulus funds. Preliminary Engineering will commence in 2010 with Final Design scheduled to take place in 2011. Service is scheduled to begin in early 2013.

Operating Costs: Operating and maintenance costs associated with operating BRT would begin in FY2013. The actual costs would be determined by the total number of service hours, once the actual service plan is developed.

Funding Source	FY10 & FY11
State-Prop 1B	\$45,000,000
2000 Measure A	13,965,000
Total	\$58,965,000

3. Bus Rapid Transit Strategic Plan

The VTA Board of Directors adopted the Bus Rapid Transit Strategic Plan in May 2009. Based on the criteria established in the Transit Sustainability Policy, the BRT strategic plan recommends moving forward with BRT deployment in the Santa Clara/Alum Rock corridor, and continuing conceptual engineering, environmental and other work for the El Camino Real and Stevens Creek/West San Carlos corridors. This broad BRT corridors project is being de-obligated at this time with funding re-assigned to specific projects. A portion of the allocation is being redistributed to the two specific corridor projects (#4 & #5 below).

Funding Source	FY10 & FY11
2000 Measure A	(\$20,410,000)
Total	(\$20,410,000)

4. Stevens Creek BRT Concept Planning

Bus Rapid Transit on Stevens Creek Boulevard/West San Carlos is one of the priority corridors in the BRT Strategic Plan. Stations and vehicles will feature passenger amenities such as real-time information, high quality waiting environments and off-board fare collection. This portion of the project includes additional planning work which will support conceptual engineering and environmental work.

Operating Costs: Operating cost impacts will be assessed as part of the engineering phase of the project.

Funding Source	FY10 & FY11
2000 Measure A	\$1,000,000
Total	\$1,000,000

5. El Camino Real BRT

Bus Rapid Transit on El Camino Real is one of the priority corridors in the BRT Strategic Plan. Stations and vehicles will feature passenger amenities such as real-time information, high quality waiting environments and off-board fare collection. This portion of the project will include conceptual engineering and environmental work.

Operating Costs: Operating cost impacts will be assessed as part of the engineering phase of the project.

Funding Source	FY10 & FY11
2000 Measure A	\$9,600,000
Total	\$9,600,000

6. Light Rail Systems Analysis Projects

The Light Rail Transit (LRT) System Analysis is evaluating current and future market conditions along with possible operating or capital improvements to the system in the next 20 years. The goal of the analysis is to increase ridership on the system by making LRT more

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competitive in the overall travel market through recommended capital and operational improvements. The LRT Systems Analysis study is scheduled for completion during 2010.

Operating Costs: Savings could arise from greater operational efficiencies. Actual impacts cannot be estimated until specific projects are identified.

Funding Source	FY10 & FY11
2000 Measure A	\$5,000,000
Total	\$5,000,000

Rail Facility Expansion

7. Caltrain Electrification and Coordination with High Speed Rail Project

Caltrain from San Jose to San Francisco will be upgraded to an electric, fully grade separated system in conjunction with the California High Speed Rail Project. The High Speed Rail Project will also serve south Santa Clara County through Gilroy and Pacheco Pass. In cooperation with Caltrain and the High Speed Rail Authority, VTA will participate in planning and engineering activities through FY 2011 that will ultimately lead to a fully electric and upgraded Caltrain system through Santa Clara County.

Operating Costs: Caltrain is responsible for the direct operation of the system but any operational cost impacts would impact future VTA operating contributions.

Funding Source	FY10 & FY11
2000 Measure A	\$800,000
Total	\$800,000

8. Caltrain Mountain View Parking Structure

This project was originally established for the engineering and construction of a new two-level parking structure above the existing ground level parking at the Caltrain Mountain View Station. The PCJPB and High Speed Rail Authority are evaluating the right-of-way requirements of constructing a four track system for High Speed Rail and Caltrain which may impact the viability of a parking structure at this location. VTA now plans to undertake an accessibility study to evaluate pedestrian, bicycle, transit and auto access to all stations in Santa Clara County. Funding for this project beyond preliminary engineering and environmental clearance is recommended for de-obligation. If the joint Caltrain/High Speed Rail Project's engineering determines that right-of-way is available at this location for a parking structure, \$340,000 of available funds from the City of Mountain View and the remaining \$340,000 in 2000 Measure A funds could be used for preliminary engineering and environmental clearance.

Funding Source	FY10 & FY11
2000 Measure A	(\$9,230,000)
Total	(\$9,230,000)

9. Caltrain Safety Enhancements

A Safety Study was conducted to identify a program of safety improvements along the entire Caltrain corridor within Santa Clara County. This study identified and prioritized locations for safety enhancements, with particular emphasis on road and pedestrian at-grade crossings, stations, school locations, pedestrian intensive areas and other locations where safety can be improved. The current phase of the project includes engineering and construction for at-grade crossings, with improvements such as pedestrian gates, sidewalks, signing and striping, warning bands, advanced signal preemption and channelization for pedestrians.

Operating Costs: Caltrain is responsible for the direct operation of the system but any operational cost impacts would impact future VTA operating contributions.

Funding Source	FY10 & FY11
2000 Measure A	\$15,870,000
Total	\$15,870,000

10. Caltrain Service Upgrades

This project budget is used to fund project design development as Caltrain service upgrade project priorities are identified. The “Santa Clara and SJ Diridon Station Upgrade” project (#17 below) is moving forward and \$1.87M of the available appropriation in this project is proposed to be de-obligated and redirected to the station upgrade. The unspent balance in this project after the transfer will be approximately \$3 million.

Funding Source	FY10 & FY11
2000 Measure A	(\$1,870,000)
Total	(\$1,870,000)

11. Caltrain South County Capacity Improvements

Phase I of this project includes the 8.3 miles from Coyote to San Martin with Phase II covering the 8.2 miles from San Martin to Gilroy. Phase I is proceeding and bids have been received. The remaining portion of the project budget identified for Phase II is recommended for de-obligation pending analysis of high speed rail impacts.

Funding Source	FY10 & FY11
2000 Measure A	(\$11,458,000)
Total	(\$11,458,000)

12. Caltrain/Union Pacific Blossom Hill Pedestrian Grade Separation

This project includes the engineering and construction of a grade-separated pedestrian and bicycle bridge crossing over Union Pacific Railroad tracks and Monterey Highway near Blossom Hill Road in San Jose. The project includes two landing structures, sidewalks, and fencing. This augmentation will bring the total appropriation for this project to \$10.5 million.

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Operating Costs: This structure will be owned and maintained by the City of San Jose and will have no impact on VTA's operating budget.

Funding Source	FY10 & FY11
2000 Measure A	\$500,000
Total	\$500,000

13. Capitol Expressway Light Rail to Eastridge

Design has been completed for the light rail extension to Eastridge to a 95% level and updates of appraisals for property acquisition are scheduled to be completed by summer 2009. FY 2010 and FY 2011 planned activities include pedestrian safety, sidewalk and landscaping improvements; design and construction of Eastridge Transit Center improvements; and relocation of utilities. A portion of the existing appropriation (\$45M) has been reallocated from 2000 Measure A funding to Federal and State-STIP to reflect proposed application for Very Small New Starts grant and anticipated receipt of STIP swap funds. The federal funding is currently unsecured.

Funding Source	FY10 & FY11
Federal-Unsecured	\$25,000,000
State-STIP	20,000,000
2000 Measure A	(45,000,000)
Total	\$0

14. Dumbarton Rail Corridor

Based on the detailed cost estimate prepared by the Peninsula Corridor Joint Powers Board (PCJPB), the project is now projected to cost \$600 million, nearly two times the original cost estimate. In response, the PCJPB is now exploring various strategies to close the funding shortfall. MTC has also reprioritized \$91 million in Regional Measure 2 funding from the Dumbarton project to the Warm Springs BART extension, with those funds being paid back by the Alameda County Congestion Management Agency. VTA is participating in a partnership of regional transit providers to analyze the cost and benefits of providing Express Bus service in the Dumbarton corridor. VTA plans to de-obligate \$5.6 million at this time, with the remaining unallocated funds of \$1.0 million available to support these alternative planning activities.

Funding Source	FY10 & FY11
2000 Measure A	(\$4,604,000)
Total	(\$4,604,000)

15. Freight Rail Relocation (FRR) Project

VTA purchased 15 miles of right-of-way, from San Jose to Fremont, from Union Pacific Railroad (UPRR) in 2002. This project will fulfill VTA's obligations under the agreement with UPRR, eliminate freight operations on VTA property and prepare the property for eventual use as a transportation corridor. This includes funds for Freight Rail relocation and

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related projects, including Lower Berryessa Creek construction, Mission Blvd/Warren Ave. grade separation, and Union Pacific Railroad relocation.

Operating Costs: Current project activities and railroad acquisition and relocations have maintenance costs associated with fencing and rail right of way. These costs are offset by rental income from these properties.

Funding Source	FY10 & FY11
State Funding-TCRP	\$10,421,000
City/County Funding	37,685,000
2000 Measure A	42,764,000
Total	\$90,870,000

16. Light Rail Extension to Vasona

Conceptual engineering and both State and Federal clearances were completed for the 1.5 mile extension from Los Gatos to Vasona Junction (Winchester Boulevard at Route 85) in 2000. Since 2000, environmental and design conditions have changed and the project needs to be re-evaluated and undergo additional environmental review. Accordingly, the remaining appropriation of \$7.4 million has been reallocated from 2000 Measure A funding to Federal. Additional environmental studies funded through project #21 below are anticipated to make this project eligible for federal funding which is currently unsecured.

Funding Source	FY10 & FY11
Federal-Unsecured	\$7,355,000
2000 Measure A	(7,355,000)
Total	\$0

17. Santa Clara and SJ Diridon Station Upgrade

These upgrades will improve regional connecting services with the Altamont Commuter Express (ACE and the Capitol Corridor at the Santa Clara and San Jose Diridon Stations. When work is complete, ACE and Capitol Corridor riders will be able to use the Santa Clara Station which currently doesn't accommodate those trains. A pedestrian tunnel will also be constructed to allow safer access to a new station platform. At San Jose Diridon Station, two new station platforms will be added to allow future expansion of Caltrain, ACE and Capitol services. Work is anticipated to be completed in 2011.

Operating Costs: Caltrain is not directly operated by VTA, but any operational cost impacts would be reflected in future operating contributions.

Funding Source	FY10 & FY11
2000 Measure	\$11,600,000
Total	\$11,600,000

18. Santa Clara Station Pedestrian Underpass Extension

This project to provide an extension to the Caltrain funded pedestrian tunnel being completed as part of the Santa Clara Station Upgrade to continue the tunnel under the UPRR tracks. The 2000 Measure A funds are being de-obligated pending analysis of high speed rail impacts; however, the CMAQ funds will allow for the completion of design.

Funding Source	FY10 & FY11
Federal-CMAQ	\$1,468,000
2000 Measure A	(6,388,000)
Total	(\$4,920,000)

19. Silicon Valley BART Extension

This project budget augmentation allows for work to proceed on the project, including environmental approvals, federal funding program submittals, final engineering for the New Starts segment (Warm Springs BART station to East San Jose), and utility relocation north of Mabury Road.

Operating Costs: Operating costs will be funded by 2008 Measure B, a one-eighth cent sales tax approved in November 2008 for BART to Santa Clara County operating and maintenance costs.

Funding Source	FY10 & FY11
State-TCRP	\$97,322,000
Other	10,000,000
2000 Measure A	65,055,000
Total	\$172,377,000

20. Warm Springs BART Extension

The BART Warm Springs Extension is a 5.4 mile extension from the Fremont BART station to southern Fremont, which is the starting point for the SVRT project. VTA is a funding partner for this project, along with BART, the Metropolitan Transportation Commission (MTC), Alameda County Transportation Improvement Authority (ACTIA), and Alameda County Congestion Management Agency (ACCMA). VTA has committed to provide \$8 million in State Local Partnership Program (SLPP, a program created under Proposition 1B) funds and \$8 million in 2000 Measure A funds (SLPP requires a 1:1 match from local transportation funds). VTA’s contribution would be used for the Warm Springs project elements that have a shared benefit with the SVRT project, including tail tracks that allow for construction, testing, and start-up of the SVRT extension.

Funding Source	FY10 & FY11
State-SLPP	\$8,000,000
2000 Measure A	8,000,000
Total	\$16,000,000

Miscellaneous

21. Environmental Impact Studies/Preliminary Project Work

Several Measure A projects could be eligible for funding from new sources that may become available as part of the economic stimulus package and other federal and state actions. This work will prepare environmental impact statements and other analyses for the light rail extension projects (Vasona and Capitol Expressway) and other Measure A projects so that VTA can qualify these projects for new funding when it becomes available.

Operating Costs: No operating cost impact.

Funding Source	FY10 & FY11
2000 Measure A	\$1,000,000
Total	\$1,000,000

22. Highway 17 Express Bus Service Improvements

VTA will procure five buses necessary to operate service between Santa Cruz, Scotts Valley, and Downtown San Jose. These buses would replace existing buses that are 20 years old, with an average of 950,000 miles each. Santa Cruz Metro manages and operates the service.

Operating Costs: Although VTA does not directly operate this service, VTA does contribute a portion of the net operating expenses. There is potential maintenance cost savings associated with operating newer vehicles.

Funding Source	FY10 & FY11
2000 Measure A	\$2,075,000
Total	\$2,075,000

23. Mineta Airport People Mover

The Airport People Mover project will provide connections from San Jose International Airport to BART, Caltrain and the VTA Light Rail. Specifically, it will build a people mover rail line connecting the airport passenger terminals directly with the Santa Clara Transit Center Caltrain and future BART Station, and the VTA Metro/Airport Light Rail Station. The City of San Jose currently leads this effort envisioning an Automated Transit Network (ATN), also known as Person Rapid Transit (PRT), of small (4-6 passenger), lightweight, computer-controlled (driverless) vehicles operated on or suspended below an elevated guideway that will operate similar to an exclusive, horizontal elevator with seats. The FY 2008 Adopted Budget included an initial \$2 million for this project. The FY 2010 appropriation augments the previous budget with an additional \$2 million. These funds will, over the next two years, support transportation design and technology development services which are expected to lead to the issuance of an RFP by the City of San Jose.

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<u>Funding Source</u>	<u>FY10 & FY11</u>
2000 Measure A	\$2,000,000
Total	\$2,000,000

24. Swap Payments

This project facilitates the distribution of funds to projects and programs in exchange for State Transportation Improvement Program (STIP) funds approved by the Board of Directors on February 1, 2007 and December 13, 2007.

<u>Funding Source</u>	<u>FY10 & FY11</u>
2000 Measure A	\$32,190,000
Total	\$32,190,000

2000 Measure A Transit Improvement Program Projected Capital Carryover

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover at the end of each fiscal year is reported as restricted assets on the agencies financial statements. The following table reflects the projected carryover at 6/30/09 as well as the additional appropriation, estimated expenditures, and projected year-end carryover for FY 2010 and FY 2011 by project.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
	Zero Emission Buses (ZEB)	Federal	7,702	7,638	64	0	64	0	0	0	0
		State	1,000	1,000	0	0	0	0	0	0	0
		Other	2,674	2,668	6	0	6	0	0	0	0
		2000 Measure A	3,276	3,098	177	0	177	0	0	0	0
		Total	14,651	14,404	247	0	247	0	0	0	0
P0719	Procurement of 40 BRT Articulated Buses	2000 Measure A	0	0	0	43,250	41,100	2,150	0	2,150	0
	Revenue Vehicles & Equipment Total		14,651	14,404	247	43,250	41,347	2,150	0	2,150	0
	ZEB Facility Improvements	State	300	300	0	0	0	0	0	0	0
		Other	2,049	2,019	30	0	30	0	0	0	0
		2000 Measure A	2,449	2,327	123	0	123	0	0	0	0
		Total	4,799	4,646	153	0	153	0	0	0	0
P0475	BRT Santa Clara-Alum Rock Corridor	State	12,189	436	11,753	45,000	16,718	40,035	0	40,035	0
		Other	32,811	0	32,811	0	0	32,811	0	0	32,811
		2000 Measure A	10,000	137	9,863	13,965	0	23,828	0	15,990	7,838
		Total	55,000	573	54,427	58,965	16,718	96,674	0	56,025	40,649
	Bus Rapid Transit Strategic Plan	2000 Measure A	22,130	1,125	21,005	(20,410)	377	219	0	219	0
P0715	Stevens Creek BRT Concept Planning	2000 Measure A	0	0	0	1,000	500	500	0	500	0
	El Camino Real BRT	2000 Measure A	0	0	0	9,600	8,600	1,000	0	1,000	0
P0722	Projects from Light Rail Systems Analysis	2000 Measure A	0	0	0	5,000	2,500	2,500	0	2,500	0
	Operating Facilities & Equipment Total		81,929	6,344	75,585	54,155	28,848	100,892	0	60,244	40,649
	Downtown/East Valley Conceptual Design	Fund Swap	5,741	5,738	3	0	3	0	0	0	0
		2000 Measure A	4,600	4,421	179	0	179	0	0	0	0
		Total	10,341	10,159	182	0	182	0	0	0	0
P0476	Capitol Expressway Light Rail to Eastridge	Federal	0	0	0	25,000	12,500	12,500	0	12,500	0
		State	159	12	147	0	147	0	0	0	0
		Other	0	0	0	20,000	10,050	9,950	0	9,950	0
		2000 Measure A	109,255	37,795	71,460	(45,000)	14,902	11,559	0	0	11,559
		Total	109,414	37,807	71,607	0	37,598	34,009	0	22,450	11,559
	Dumbarton Rail Corridor	2000 Measure A	6,604	1,452	5,151	(4,604)	548	0	0	0	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
P0511	Caltrain Service Upgrades	2000 Measure A	14,790	10,541	4,249	(1,870)	1,754	624	0	624	0
P0550	Caltrain South County Capacity Improv.	State	33,000	6,539	26,461	0	13,709	12,752	0	2,796	9,956
		2000 Measure A	39,778	126	39,652	(11,458)	278	27,916	0	17,021	10,895
		Total	72,778	6,665	66,113	(11,458)	13,987	40,668	0	19,817	20,851
P0587	Light Rail Extension to Vasona	Federal	0	0	0	7,355	0	7,355	0	0	7,355
		2000 Measure A	7,355	0	7,355	(7,355)	0	0	0	0	0
		Total	7,355	0	7,355	0	0	7,355	0	0	7,355
P0595	Caltrain Electrification	2000 Measure A	0	0	0	800	400	400	0	400	0
P3201	Caltrain Mountain View Parking Structure	City	425	86	339	0	339	0	0	0	0
		Other	0	0	0	0	0	0	0	0	0
		2000 Measure A	9,805	237	9,568	(9,230)	338	0	0	0	0
		Total	10,230	323	9,907	(9,230)	677	0	0	0	0
P3202	Caltrain/UPRR Blossom Hill Ped. Grade Sep	Federal	2,480	0	2,480	0	2,402	78	0	78	0
		State	6,790	1,964	4,826	0	4,653	173	0	173	0
		City	250	250	0	0	0	0	0	0	0
		2000 Measure A	480	9	471	500	0	971	0	971	0
		Total	10,000	2,223	7,777	500	7,055	1,222	0	1,222	0
P3203	Caltrain Safety Enhancements	2000 Measure A	4,880	3,489	1,391	15,870	7,695	9,565	0	9,565	0
P3204	Santa Clara Sta. Pedestrian Underpass Extn.	Federal	0	0	0	1,468	1,000	468	0	468	0
		2000 Measure A	7,000	212	6,788	(6,388)	400	0	0	0	0
		Total	7,000	212	6,788	(4,920)	1,400	468	0	468	0
P3205	Santa Clara and SJ Diridon Station Upgrade	2000 Measure A	1,000	2	998	11,600	2,436	10,161	0	1,238	8,923
FRR	Freight Rail Relocation Project	State	0	0	0	10,421	5,284	5,137	0	5,137	0
		City	10,100	4,653	5,447	0	0	5,447	0	0	5,447
		Other	24,500	9,513	14,987	37,685	8,885	43,787	0	17,988	25,799
		2000 Measure A	154,179	108,960	45,218	42,764	48,804	39,179	0	16,098	23,081
		Total	188,779	123,126	65,653	90,870	62,973	93,550	0	39,223	54,327
SVRT	Silicon Valley BART Extension	Federal	11,196	11,196	0	0	0	0	0	0	0
		State	393,984	368,415	25,569	97,322	68,033	54,858	0	54,858	0
		Other	0	0	0	10,000	0	10,000	0	5,000	5,000
		2000 Measure A	130,333	84,337	45,996	65,055	47,959	63,091	0	58,692	4,399
		Total	535,513	463,949	71,564	172,377	115,992	127,949	0	118,550	9,399
NEW	Warm Springs BART Extension	State	0	0	0	8,000	4,000	4,000	0	4,000	0
		2000 Measure A	0	0	0	8,000	4,000	4,000	0	4,000	0
		Total	0	0	0	16,000	8,000	8,000	0	8,000	0
Rail Facility Expansion Total			978,684	659,949	318,735	275,935	260,698	333,972	0	221,558	112,415
P0529	Palo Alto Intermodel Transit Center	Federal	248	167	81	0	81	0	0	0	0
		City	62	42	20	0	20	0	0	0	0
		2000 Measure A	50	4	46	0	2	45	0	45	0
		Total	359	212	147	0	102	45	0	45	0
Passenger Facilities Total			359	212	147	0	102	45	0	45	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryforward	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryforward	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryforward
P0510	Measure A Programwide	2000 Measure A	8,245	2,903	5,342	0	2,286	3,055	0	3,055	0
P0552	New Rail Corridors	2000 Measure A	1,800	546	1,254	0	947	306	0	306	0
P0588	Airport People Mover	2000 Measure A	2,000	69	1,931	2,000	1,931	2,000	0	2,000	0
P0589	Highway 17 Bus Service Improvements	2000 Measure A	425	0	425	2,075	2,500	0	0	0	0
P0660	Light Rail System Analysis	2000 Measure A	1,729	897	832	0	564	268	0	268	0
P0712	Swap Payments to Other Agencies	2000 Measure A	0	0	0	32,190	20,058	12,132	0	12,132	0
P0723	Environmental Impact Studies	2000 Measure A	0	0	0	1,000	500	500	0	500	0
P3101	Santa Clara Station Area Planning-Ph.II	Federal	600	600	0	0	0	0	0	0	0
		City	156	111	45	0	45	0	0	0	0
		2000 Measure A	19	0	19	0	19	0	0	0	0
	Total		775	711	64	0	64	0	0	0	0
Miscellaneous Total			14,974	5,127	9,847	37,265	28,851	18,261	0	18,261	0
Grand Total			1,090,598	686,036	404,562	410,606	359,847	455,321	0	302,258	153,063

2000 Measure A Transit Improvement Program Debt Service

Debt Policy Overview

VTA’s debt policy permits issuance of long-term debt to accomplish the following objectives: accelerate the delivery of projects, spread cost over the useful life of an asset, smooth out annual cash flow, optimize overall financial resources, finance unfunded actuarial liabilities, and refundings. As of June 30, 2009, VTA had two outstanding bond issues secured by 2000 Measure A half-cent sales tax revenues.

VTA’s debt policy states that debt affordability be determined by the requirements of 2000 Measure A Transit Improvement Program’s bond indentures (e.g. additional bonds test/debt service coverage) and VTA’s ability to meet all of its on-going operating, capital and reserve requirements. The bond indenture for issues secured by the 2000 Measure A half-cent sales tax requires a minimum gross sales tax revenue bond coverage ratio of 1.3 times annual debt service.

The table below shows the calculation of the current debt coverage ratio for FY 2010 and FY 2011.

Debt Coverage Ratio ***Issues Secured by 2000 Measure A Half-Cent Sales Tax*** ***(Dollars in Thousands)***

	FY10	FY11
Sales Tax Revenues	142,926	138,638
Debt Service ¹	14,781	17,211
Coverage Ratio	9.7	8.1

¹Principal and Interest

The tables on the following pages show additional information about outstanding debt secured by the 2000 Measure A half-cent sales tax.

Outstanding Debt as of 6/30/09
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

Series	Type of Debt	Interest Rate	Par Amount
2007 Series A Refunding	Traditional Fixed	4.62% ¹	120,095
2008 Series A-B Refunding	Synthetically Fixed	5.02% ²	117,925
2008 Series C-D Refunding	Synthetically Fixed	4.74% ³	117,950
Total			355,970

¹ All-in TIC

² Including liquidity and remarketing fees as of June 30, 2009. Current liquidity rates in effect through June 2010

³ Including liquidity and remarketing fees as of June 30, 2009. Current liquidity rates in effect through Dec. 2009

Debt Service Schedule
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)

Fiscal Year	Principal	Interest	Total
2010	0	14,781	14,781
2011	2,430	14,781	17,211
2012	2,525	14,684	17,209
2013	2,625	14,583	17,208
2014	2,760	14,452	17,212
2015-2019	15,860	70,185	86,045
2020-2024	20,075	65,967	86,042
2025-2029	25,630	60,420	86,050
2030-2034	146,280	51,241	197,521
2035-2036	137,785	8,120	145,905
	355,970	329,214	685,184

***FY 2010 and FY 2011 Debt Service Detail
Sales Tax Revenues Bonds
Secured by 2000 Measure A Half-Cent Sales Tax
(Dollars in Thousands)***

Series	FY10 Adopted Budget	FY11 Adopted Budget
Interest Expense	\$14,781	\$14,781
Principal	0	2,430
Other Bond Charges ¹	3,822	3,834
Total	\$18,603	\$21,045

¹ Includes liquidity, remarketing, trustee fees, and other bond related charges

2000 Measure A Transit Improvement Program cont.

Overview of Outstanding Debt Issues

2007 Measure A Series A

In September 2007 \$120.1 million of 2007 Measure A Series A Sales Tax Revenue Refunding Bonds (2007 Measure A Bonds) were issued at a true interest cost of 4.60% to current refund Series F and G of the 2006 Measure A Sale Tax Revenue Bonds (Defeased Bonds). The Defeased Bonds were originally issued to finance the retirement of a portion of Measure A Sales Tax Revenue Bonds, Series 2003 A, 2004 A and 2004 B. Proceeds of the 2007 Measure A Bonds were deposited into an escrow account held by a Trustee, and were used to pay the principal and accrued interest on the Defeased Bonds on the redemption date of November 6, 2007. Maturities for the 2007 Measure A Bonds extend to April 1, 2036.

2008 Measure A Series A-D

In June 2008 \$236.7 million of 2008 Series A-D Measure A Sales Tax Revenue Refunding Bonds (2008 Measure A Bonds) were issued to current refund Series A-D of the 2006 Bonds (Defeased Bonds). The Defeased Bonds were originally issued to finance the retirement of a portion of Measure A Sales Tax Revenue Bonds Series 2003 A, 2004 A and 2004 B. The 2008 Measure A Bonds were issued as variable rate demand bonds and bear interest at a weekly rate, which is determined by the Remarketing Agent to be the rate necessary to remarket the 2008 Measure A Bonds at par value. The Defeased Bonds were issued as auction rate securities insured by Ambac Assurance Corporation, a municipal insurance provider, who had been downgraded by all three national rating agencies. As a result of the downgrade and disruption in the auction rate market, VTA was paying weekly interest rates that were above market rates. By issuing the 2008 Measure A Bonds as uninsured variable rate demand bonds, VTA was able to eliminate the higher interest rates caused by the Ambac bond insurance and the auction rate structure.

SECTION 4
CONGESTION MANAGEMENT
PROGRAM (CMP)



Congestion Management Program

Overview

Congestion Management Agencies (CMAs) were created in 1990 by Proposition 111 and its accompanying legislation, which required that every county with an urbanized population of more than 50,000 establish a CMA. CMAs were designed to meet the goals of increasing the efficiency of existing transit and roadway systems, planning the best capital improvements to these systems, and improving the local land use decision-making process.

In 1994, VTA was designated as the CMA for Santa Clara County through a Joint Powers Agreement entered into by the 15 cities and the County of Santa Clara. VTA's Congestion Management Program (VTA's CMP) serves as the CMA for Santa Clara County. VTA's CMP, which is fiscally separate from VTA Transit, is funded through assessments to local jurisdictions (Member Agencies), federal and state planning grants, grant program manager administration fees, State Transportation Improvement Program (STIP) Planning Programming and Monitoring Funds, and fees for services provided.

The major responsibilities and programs of VTA's CMP are:

Congestion Management Program (CMP) and Capital Improvement Program (CIP)

VTA's CMP is responsible for preparing and implementing the county's statutorily mandated Congestion Management Program. Adoption of a CMP is necessary to qualify for certain transportation funds made available through the state gas tax increase authorized in 1990. The CMP includes the setting of performance standards for roadways, public transit, and other modes of transportation, and shows how local jurisdictions will meet those standards through a ten-year Capital Improvement Program, land use strategies, and other actions designed to reduce congestion and improve air quality. The CMP is updated every 2 years and normally, on an annual basis, the elements of the CMP are monitored and VTA's CMP staff prepares a monitoring and conformance report.

Land Use / Transportation Integration

At Board direction, and in the spirit of implementing the CMP legislation, VTA has developed a program for integrating land use and transportation planning – the Community Design and Transportation (CDT) Program. The CDT Program provides comprehensive information, tools, planning, design, and technical assistance to Member Agencies, and is designed to proactively influence the planning and development process. Toward this end, the program also includes two new grant fund programs designed to assist local jurisdictions with developing, refining, and building on promising ideas, and to incorporate transit-and-pedestrian-friendly design into all aspects of the planning and development process.

Valley Transportation Plan (VTP)

This is the long-range transportation plan for the county, which drives overall planning and programming efforts of VTA. The most recent update, VTP 2035, includes programs and policies for delivering a multi-modal transportation system for Santa Clara County by providing

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

a framework for making key transportation decisions, a plan for investing in VTA's transportation system, strategic direction for VTA's involvement in land use and other livability issues and now also strategic guidance for how VTA conducts all of its transportation related responsibilities and business. VTP 2035 was adopted by the VTA Board of Directors on in January, 2009. The next scheduled update is in 2013.

Grant Programming

VTA's CMP is responsible for fund programming and/or oversight of the following Federal, State, regional and local grant programs:

Federal

- *Federal Surface Transportation Program/Congestion Mitigation - Air Quality Improvement Program (STP/CMAQ)*: STP funds are used to address problems caused by urban and suburban congestion by funding improvement projects across all transportation modes. CMAQ funds are to be used to implement the transportation provisions of the 1990 Federal Clean Air Act. The STP and CMAQ funding programs are wrapped into the current federal surface transportation act called the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Congress is currently considering a successor bill. VTA determines the countywide priorities for these funds, subject to final approval of the Metropolitan Transportation Commission (MTC).
- *Transportation Enhancement (TE)*: Transportation Enhancement are derived from a 10% set-aside of each state's STP allocation to be used for projects that provide transportation enhancements above and beyond normal capital improvements that fit within the 12 categories described in the federal act. In California, TE funds are distributed to the counties based on formulas in state statute. Within the MTC region, VTA, acting in its capacity as the CMA for Santa Clara County, programs the local share subject to MTC guidelines.

State

- *Regional Improvement Program (RIP)*: Senate Bill 45 (SB-45), which was signed into law at the end of the 1997 legislative session, consolidated several state transportation funding programs and directed 75% of the funds from the State Highway Account (SHA) into the Regional Improvement Program (RIP). Each county receives a "County Share". VTA determines the countywide priorities for these funds subject to final approval by MTC and the California Transportation Commission (CTC) via the State Transportation Improvement Program (STIP) process.

Local

- *Transportation Fund for Clean Air Program Manager Fund (TFCA 40%)*: In 1991, state statute authorized the Bay Area Air Quality Management District (BAAQMD) to increase vehicle registration fees by up to \$4.00 per vehicle to implement certain transportation control measures contained in BAAQMD's adopted Clean Air Plan. Forty percent (40%) of these funds are distributed to each county based on a proportional share of paid vehicle registrations. These funds are allocated and administered by a program

manager selected within each county. VTA's CMP is the program manager for the TFCA 40% Funds for Santa Clara County.

- *Transportation Development Act Article 3*: The California State Legislature enacted the Transportation Development Act (TDA) in 1972. Article 3 of this act provides for the return of a portion of the sales tax receipts in each county to fund bicycle and pedestrian improvements. MTC administers the program Bay Area-wide, while VTA develops annual countywide program priorities.

Programmed Project Monitoring and Assistance

The State Transportation Improvement Program (STIP) contains a timely use of funds provision that requires project sponsors to deliver the project on time or risk loss of the grant funding. This legislation also increased the responsibility of local agencies, such as VTA, to not only program transportation funds but to also monitor project progress and potentially provide assistance to ensure timely completion. Because of the substantial fiscal impact on the countywide Capital Improvement Program due to delayed project construction, VTA staff is providing active oversight of the delivery of CIP projects. This oversight includes a significant level of direct involvement by division staff, utilizing consultant engineering assistance, in large, high profile state highway projects managed by Caltrans. VTA staff also provides to the Board of Directors and Advisory Committees the Programmed Projects Quarterly Monitoring Report, which tracks the progress of projects funded through programming actions of the VTA Board of Directors.

Highway Corridor Planning

As part of VTP 2035 and its predecessors, VTA staff identified highway corridors for study to investigate the need for transportation improvements. The studies also provide planning-level cost estimates and project implementation strategies for the identified transportation improvements.

Bicycle and Pedestrian Planning Program

The 20-year Countywide Bicycle Plan was adopted by the Board of Directors in October 2000 and updated in December 2004. A twenty-year Bicycle Expenditure Program was developed and approved for projects totaling approximately \$99.3 million. The Bicycle Planning Program administers and distributes funds to Member Agencies to implement and construct the projects.

VTA assists as needed with pedestrian issues raised by the Board of Directors or at VTA Bicycle and Pedestrian Advisory Committee meetings. VTA also assists in Development Review regarding pedestrian impacts and improvements, and provides technical and policy assistance to the Highway Program regarding the inclusion of pedestrian accommodation in each project's conceptual development and design.

***Congestion Management Program
Comparison of Revenues and Expenses
(Dollars in Thousands)***

Line	Category	FY08 Actual	FY09 Adopted Budget	FY09 Actual ¹	FY10 Adopted Budget	Variance from FY09 Actual	% Var	FY11 Adopted Budget	Variance from FY10 Budget	% Var
1	Federal Operating Grants	1,103	915	915	1,085	170	18.6%	1,085	0	0.0%
2	State Operating Grants	1,156	1,190	704	980	276	39.2%	980	0	0.0%
3	Member Agency Fees	2,410	2,495	2,495	2,495	0	0.0%	2,582	87	3.5%
4	Other Income	268	515	200	50	(150)	-75.0%	250	200	400.0%
5	Total Revenue	4,937	5,115	4,314	4,610	296	6.9%	4,897	287	6.2%
6	Professional & Special Services	550	1,000	725	500	(225)	-31.0%	379	(121)	-24.2%
7	Other Services	21	6	60	31	(29)	-48.3%	31	0	0.0%
8	Data Processing	34	30	17	12	(5)	-29.4%	12	0	0.0%
9	Office Expense	16	(87)	4	0	(4)	-100.0%	0	0	N/A
10	Miscellaneous	147	22	20	25	5	25.0%	25	0	0.0%
11	VTA Staff Services	3,337	4,156	4,807	4,302	(505)	-10.5%	5,125	823	19.1%
12	Total Expense	4,105	5,127	5,633	4,870	(763)	-13.5%	5,572	702	14.4%
13	Surplus/(Deficit) to Reserves	832	(12)	(1,319)	(260)			(675)		

¹ Preliminary Unaudited

Major Variances
(Variance in excess of 5% and \$100,000)

Revenues

Federal Operating Grants:

FY 2010 budget reflects a \$170 thousand increase over FY 2009 actual due to a projected increase in federal Surface Transportation Program (STP) planning grant funding.

State Operating Grants:

FY 2010 budget shows a \$276 thousand increase from FY 2009 actual due to a projected increase in State Operating Grants.

Member Agency Fees:

At the request of the member agencies, there is no increase in fees for FY 2010. FY 2011 assumes the reinstatement of the previously approved 3.5% annual increase.

Other Income:

FY 2010 budget is \$150 thousand lower than FY 2009 actual due to the decrease in reimbursement for projects completed in FY 2009, primarily the East San Jose Community Base Transportation Plan, that are not anticipated in FY 2010.

Expenses

Professional & Special Services:

FY 2010 budget reflects \$225 thousand decrease over FY 2009 actual due to the decrease projected level of service required from South Bay Transportation Associates.

VTA Staff Services:

FY 2010 budget shows a \$505 thousand decrease from FY 2009 actual due to fewer planned activities and smaller programs than in previous year.

***Congestion Management Program
Sources and Uses of Funds Summary
(Dollars in Thousands)***

<u>Line</u>	<u>Description</u>	<u>FY09 Actual¹</u>	<u>FY10 Adopted Budget</u>	<u>FY11 Adopted Budget</u>
1	Total Revenues	4,314	4,610	4,897
2	Total Non-Project Expenses	<u>5,663</u>	<u>4,870</u>	<u>5,572</u>
3	Revenues Over (Under) Expenses	(1,319)	(260)	(675)
4	Beginning Undesignated Reserves	1,376	57	(203)
5	Revenues Over (Under) Expenses	<u>(1,319)</u>	<u>(260)</u>	<u>(675)</u>
6	Ending Undesignated Reserves	57	(203)	(878)

¹ Preliminary Unaudited

Note: The Congestion Management Program is now projected to end FY 2009 with a much smaller reserve balance than originally estimated at the time the budget was adopted (\$57 thousand actual, versus \$1.3 million assumed in June 2009). This decrease in reserves is due primarily to higher than budgeted labor expenses due to a change in VTA's Indirect Cost Allocation Plan and lower than anticipated state grant receipts for CMP operations. As a result, the Sources and Uses Funds Summary schedule above now reflects that CMP reserves would be depleted in FY 2010, assuming expenditures equal to the approved budget. In response, labor costs will be closely controlled and monitored to ensure that costs do not exceed available revenues and VTA will place a hold on a portion of the FY 2010 appropriation unless and until additional revenues are identified. Similar measures will be taken in FY 2011 to ensure a positive ending fund balance.

***Congestion Management Program
FY 2010 and FY 2011
Member Assessments***

Member Agency	FY10¹	FY11
County of Santa Clara	\$281,594	\$291,450
Campbell	52,362	54,196
Cupertino	80,444	83,260
Gilroy	39,138	40,508
Los Altos	25,830	26,736
Los Altos Hills	6,888	7,130
Los Gatos	35,650	36,898
Milpitas	79,778	82,572
Monte Sereno	2,070	2,144
Morgan Hill	26,014	26,926
Mountain View	129,554	134,090
Palo Alto	146,602	151,734
San Jose	812,378	840,812
Santa Clara	214,584	222,096
Saratoga	22,478	23,266
Sunnyvale	257,626	266,644
Subtotal:	\$2,212,990	\$2,290,462
VTA - Managing Agency Contribution	281,594	291,450
TOTAL:	\$2,494,584	\$2,581,912

¹ No increase from FY 2009 rates

SECTION 5
VTP HIGHWAY PROGRAM



VTP Highway Program

Overview

The Valley Transportation Plan (VTP) Highway Program includes highway improvement projects from the currently approved long-range countywide transportation plan for Santa Clara County (County). The VTP drives overall planning and programming efforts of VTA. VTP 2035 is the current approved long-range County-wide Transportation Plan. Developed by VTA's Congestion Management Program (CMP) and adopted in January 2009, projects must be included in the plan as a pre-requisite for eligibility to receive Federal, State, regional and local discretionary fund programming. Additional information on VTA's CMP and the development of the VTP 2035 may be found in the Congestion Management Program section of this document.

The VTA enters into construction agreements with cities in the County for various highway projects that are included in VTP 2035. One hundred percent of VTP Highway Program expenditures are funded by grants (Federal, State, regional or local) or agreements with the appropriate city.

The VTP Highway Program consists of potentially over \$1 billion of highway improvement projects currently in various phases from conceptual study to construction. The projects are located throughout Santa Clara County (and adjoining areas) and seek to improve key elements of the highway transportation system, utilizing a variety of funding sources.

Funding is a key issue for many of the highway projects. VTA, acting as the Congestion Management Agency (CMA) for Santa Clara County, must assemble a number of funding sources in order to advance each project through its various phases to completion.

The table on the following page lists the individual projects for which appropriation is included in the FY 2010 and FY 2011 Adopted Biennial Budget.

VTP Highway Program
Schedule of FY 2010 & FY 2011 Appropriation
(Dollars in Thousands)

Project	FY10						FY11					
	Funding Source					Total	Funding Source					Total
	Federal	State	City	Fund Swap	Other		Federal	State	City	Fund Swap	Other	
1. Charcot Avenue Extension	0	0	2,350	0	0	2,350	0	0	2,350	0	0	2,350
2. I-280/I-880/Steven Creek Blvd. Interchange	1,660	0	0	415	0	2,075	10,244	0	0	2,561	0	12,805
3. I-880 Improvements, SR 237 to US 101	0	0	0	0	0	0	0	71,600	0	0	0	71,600
4. I-880/Coleman Highway Planting	1,528	0	0	180	0	1,708	0	0	0	0	0	0
5. Mary Avenue Extension	0	0	2,725	1,065	0	3,790	0	0	1,300	0	0	1,300
6. Intelligent Transportation System Project	0	0	0	1,000	4,000	5,000	0	0	0	1,000	4,000	5,000
7. Silicon Valley Express Lanes - SR 85	0	0	0	760	3,040	3,800	0	0	0	1,540	6,160	7,700
8. Silicon Valley Express Lanes - US 101	0	0	0	400	1,400	1,800	0	0	0	3,600	12,600	16,200
9. New SR 152 Alignment and Trade Corridor	0	550	0	400	0	950	0	0	0	0	0	0
10. US 101 Aux Lanes, SR 85 - Embarcadero Rd.	0	0	0	0	0	0	0	84,930	0	258	0	85,188
11. US 101 De La Cruz/Trimble Road Interchange	0	0	2,050	0	0	2,050	0	0	2,050	0	0	2,050
12. US 101 Improvements, I-280 to Yerba Buena	6,565	30,700	10,000	0	0	47,265	435	255	0	0	2,620	3,310
13. US 101 Improvements, De La Cruz to Taylor	0	0	1,750	0	0	1,750	0	0	1,750	0	0	1,750
14. US 101/SR 25 Interchange & US 101 Widening	0	5,000	0	0	0	5,000	0	5,000	0	0	0	5,000
15. Express Lanes-SR 237/I-880 Connector	1,251	0	0	2,243	0	3,494	0	0	0	0	0	0
Grand Total	11,004	36,250	18,875	6,463	8,440	81,032	10,679	161,785	7,450	8,959	25,380	214,253

VTP Highway Program cont.
Description of FY 2010 & FY 2011 Appropriated Projects

1. Charcot Avenue Extension

This project is to extend Charcot Avenue on a new bridge structure over I-880 in San Jose. The FY 2010 and FY 2011 augmentation funds engineering for the project.

Funding Source	FY10	FY11
City-San Jose	\$2,350,000	\$2,350,000
Total	\$2,350,000	\$2,350,000

2. I-280/I-880/Stevens Creek Blvd. Interchange

This project is to improve traffic operations, and enhance safety and access, including reconfiguration of the existing full cloverleaf interchange at I-880 and Stevens Creek Boulevard, widening of the overcrossing at Stevens Creek Blvd. over I-880, addition of a new direct freeway-to-freeway connector between northbound I-280 and northbound I-880, and construction of a new Winchester Road off-ramp from northbound I-280. This budget funds activities into the engineering phase and the first phase of construction for the project.

Funding Source	FY10	FY11
Federal-FHWA	\$2,075,000	\$10,745,000
Other-Developer	0	2,060,000
Total	\$2,075,000	\$12,805,000

3. I-880 Improvements, SR 237 to US 101

This project is to add a High Occupancy Vehicle (HOV) lane in each direction of I-880 between Old Bayshore Highway in San Jose and SR 237 in Milpitas. This budget funds the project through the construction phase.

Funding Source	FY10	FY11
State-CMIA	\$0	\$71,600,000
Total	\$0	\$71,600,000

4. I-880/Coleman Avenue Highway Planting

In cooperation with the City of San Jose, VTA reconstructed the Coleman Avenue Interchange at I-880 in San Jose to improve access to the Mineta San Jose International Airport. This budget funds landscaping activities, in conformance with prior agreements with Caltrans and the City of San Jose.

Funding Source	FY10	FY11
Federal-Various	\$1,528,000	\$0
Other-Swap/LPR	180,000	0
Total	\$1,708,000	\$0

5. Mary Avenue Extension

This project is to improve access into the Moffett Park Industrial Park in Sunnyvale by extending Mary Avenue over SR 237 and US 101 with a new bridge structure. This budget funds activities into the engineering phase for the project.

Funding Source	FY10	FY11
City-Sunnyvale	\$2,725,000	\$1,300,000
Other-Swap/LPR	1,065,000	0
Total	\$3,790,000	\$1,300,000

6. Intelligent Transportation System Project

This project is to provide professional services to implement, manage, maintain, and operate regional Intelligent Transportation System (ITS) throughout Santa Clara County, using technology to improve mobility and enhance safety for pedestrian, bicycle, transit, and vehicle modes while using existing available capacity more efficiently.

Funding Source	FY10	FY11
Federal-CMAQ	\$2,000,000	\$2,000,000
Other-Swap/LPR	1,000,000	1,000,000
Other-TBD	2,000,000	2,000,000
Total	\$5,000,000	\$5,000,000

7. Silicon Valley Express Lanes – SR 85

This project is to implement electronically tolled, dynamically priced Express Lanes on SR 85, including the conversion of the existing carpool lanes for Express Lanes operations. This budget funds activities into the engineering phase for the project.

Funding Source	FY10	FY11
Other-Swap/LPR	\$760,000	\$1,540,000
Other-TBD	3,040,000	6,160,000
Total	\$3,800,000	\$7,700,000

8. Silicon Valley Express Lanes – US 101

This project is to implement electronically tolled, dynamically priced Express Lanes on US 101, including the operation of two express lanes in each direction of US 101 from Dunne Avenue in Morgan Hill to the vicinity of the San Mateo County line. One lane in each direction is to be achieved through the conversion of the existing carpool lanes for Express Lanes operations. This budget funds activities into the engineering phase for the project.

Funding Source	FY10	FY11
Other-Swap/LPR	\$400,000	\$3,600,000
Other-TBD	1,400,000	12,600,000
Total	\$1,800,000	\$16,200,000

9. New SR 152 Alignment and Trade Corridor

This project is for the development of a new trade corridor between US 101 and SR 99, including a new alignment for SR 152 between the recently constructed SR 152/SR 156 interchange and US 101 in Santa Clara County. This budget funds activities into the engineering phase for the project.

Funding Source	FY10	FY11
State-ITIP	\$550,000	\$0
Other-Swap/LPR	400,000	0
Total	\$950,000	\$0

10. US 101 Auxiliary Lanes, SR 85 - Embarcadero Road

The project is to add auxiliary lanes in each direction of US 101, along with ramp improvements, between Embarcadero Road in Palo Alto and SR 85 in Mountain View, and extend the existing approximately 1000-foot dual lane carpool segment located north of the US 101/SR 85 interchange further to the north to a length of about 2.5 miles. This budget funds the project through the construction phase.

Funding Source	FY10	FY11
State-CMIA	\$0	\$84,930,000
Other-Swap/LPR	0	258,000
Total	\$0	\$85,188,000

11. US 101 De La Cruz/Trimble Road Interchange

This project is to reconfigure the US 101/De La Cruz Boulevard/Trimble Road interchange, including replacement of the existing overcrossing, major ramp reconfigurations, and addition of bicycle lanes. This budget funds activities into the engineering phase for the project.

Funding Source	FY10	FY11
City-San Jose	\$2,050,000	\$2,050,000
Total	\$2,050,000	\$2,050,000

12. US 101 Improvements, I-280/I-680 to Yerba Buena Road

This project is to provide congestion relief on US 101 from the I-280/I-680 interchange southward to the Yerba Buena Road interchange. The project includes upgrading of southbound US 101 to have three general purpose lanes and one carpool lane from I-280/I-680 to Yerba Buena Road (the existing configuration has a bottleneck where the mainline reduces down to two general purpose lanes), and upgrading of the Tully Road interchange (including replacement of the bridge) from the current cloverleaf configuration to a partial cloverleaf design. This budget funds the project through the construction phase.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Funding Source	FY10	FY11
Federal-Earmark	\$6,565,000	\$435,000
State-CMIA	30,000,000	0
State-SHOPP	700,000	255,000
City-San Jose	6,000,000	0
Other-Swap/LPR	4,000,000	0
Other-TBD	0	2,620,000
Total	\$47,265,000	\$3,310,000

13. US 101 Improvements, De La Cruz to Taylor/Mabury

This project is to implement a series of major improvements along the US 101 corridor from north of the US 101/Fourth Street/Zanker Road interchange to south of the existing overcrossing of US 101 at Taylor Street/Mabury Road. This budget funds activities into the engineering phase for the projects.

Funding Source	FY10	FY11
City-San Jose	\$1,750,000	\$1,750,000
Total	\$1,750,000	\$1,750,000

14. US 101/SR 25 Interchange & US 101 Widening

This project is to upgrade the US 101/SR 25 interchange in Santa Clara County, including replacement of bridge structures. The project also includes widening of US 101 from four to six lanes in southern Santa Clara County and San Benito County. This budget funds activities into the engineering phase for the project.

Funding Source	FY10	FY11
State-TBD	\$5,000,000	\$5,000,000
Total	\$5,000,000	\$5,000,000

15. Express Lanes – SR 237/I-880 Connector

This project is to convert the existing carpool-to-carpool connectors at the interchange for electronically tolled, dynamically prices Express Lanes operations to allow solo drivers for a fee to access unused capacity at the interchange to provide relief to existing peak period congestion. This budget funds activities through the construction phase of the project.

Funding Source	FY10	FY11
Federal-Various	\$1,251,000	\$0
Other-Swap/LPR	2,243,000	0
Total	\$3,494,000	\$0

VTP Highway Program Projected Capital Carryover

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The following table reflects the projected carryover at 6/30/09 as well as the additional appropriation, estimated expenditures, and projected year-end carryover for FY 2010 and FY 2011 by project.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E	F=(C+D-E)	G	H	I=(F+G-H)
			Budget as of 6/30/09	Projected Actual 6/30/09	Projected FY09 Carryover	FY10 Adopted Budget	Projected FY10 Expenditures	Projected FY10 Carryover	FY11 Adopted Budget	Projected FY11 Expenditures	Projected FY11 Carryover
P0372	I-880/Coleman Ave Interchange	State	68,746	68,625	121	0	121	0	0	0	0
		City	11,178	11,132	47	0	47	0	0	0	0
		Total	79,924	79,757	168	0	168	0	0	0	0
P0430	SR 152/SR 156 Improvements	Federal	17,373	15,284	2,089	0	940	1,149	0	91	1,058
		State	11,204	9,805	1,399	0	573	826	0	57	769
		Fund Swap	8,113	6,763	1,350	0	296	1,054	0	41	1,013
		Total	36,689	31,852	4,838	0	1,809	3,029	0	189	2,840
P0455	I-280/I-880/Steven Creek Blvd. Interchange	Federal	5,500	1,797	3,703	2,075	3,687	2,091	10,745	11,825	1,011
		City	1,550	1,124	426	0	426	0	0	0	0
		Other	1,200	0	1,200	0	0	1,200	2,060	3,091	169
		Fund Swap	500	0	500	0	0	500	0	0	500
		Total	8,750	2,922	5,828	2,075	4,113	3,791	12,805	14,916	1,680
P0472	Route 87 North Widening (Construction)	State	35,135	35,133	2	0	2	0	0	0	0
		Fund Swap	3,750	3,746	4	0	4	0	0	0	0
		Total	38,885	38,879	6	0	6	0	0	0	0
P0473	Route 87 South Widening (Construction)	Federal	93	21	72	0	72	0	0	0	0
		State	1,064	898	166	0	166	0	0	0	0
		Total	1,157	919	238	0	238	0	0	0	0
P0478	Silicon Valley Express Lanes	Other	6,627	350	6,277	0	1,499	4,778	0	4,778	0
		Fund Swap	2,800	2,331	469	0	469	0	0	0	0
		Total	9,427	2,681	6,746	0	1,968	4,778	0	4,778	0
P0519	US 101 Improvements, I-280 to Yerba Buena	Federal	0	0	0	6,565	3,283	3,283	435	3,718	0
		State	0	0	0	30,700	30,700	0	255	255	0
		City	4,000	68	3,932	6,000	4,947	4,985	0	4,985	0
		Other	300	0	300	0	300	0	2,620	2,620	0
		Fund Swap	8,100	6,698	1,402	4,000	3,518	1,884	0	1,884	0
		Total	12,400	6,765	5,635	47,265	42,748	10,152	3,310	13,462	0
P0535	Coyote Ridge Butterfly Habitat Mgmt	City	996	918	78	0	1	77	0	2	75
		Fund Swap	245	174	71	0	4	67	0	4	63
		Total	1,241	1,092	149	0	5	144	0	6	138

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E	F=(C+D-E)	G	H	I=(F+G-H)
			Budget as of 6/30/09	Projected Actual 6/30/09	Projected FY09 Carryover	FY10 Adopted Budget	Projected FY10 Expenditures	Projected FY10 Carryover	FY11 Adopted Budget	Projected FY11 Expenditures	Projected FY11 Carryover
P0563	Mary Avenue Extension	City	1,340	853	487	2,725	2,721	491	1,300	1,300	491
		Other	2,410	0	2,410	0	0	2,410	0	0	2,410
		Fund Swap	250	182	68	1,065	1,133	0	0	0	0
		Total	4,000	1,035	2,965	3,790	3,854	2,901	1,300	1,300	2,901
P0565	US 101 De La Cruz/Trimble Road Interchange	City	700	487	213	2,050	2,263	0	2,050	2,050	0
		Other	100	0	100	0	100	0	0	0	0
		Total	800	487	313	2,050	2,363	0	2,050	2,050	0
P0569	Calaveras Boulevard Improvements	City	450	446	4	0	0	4	0	0	4
		Other	1,750	0	1,750	0	0	1,750	0	0	1,750
		Fund Swap	150	149	1	0	0	1	0	0	1
		Total	2,350	595	1,755	0	0	1,755	0	0	1,755
P0570	SR 85 & 237 Improvements	City	250	246	4	0	4	0	0	0	0
		Other	1,250	0	1,250	0	0	1,250	0	0	1,250
		Fund Swap	500	323	177	0	177	0	0	0	0
		Total	2,000	569	1,431	0	181	1,250	0	0	1,250
P0606	US 101/SR 25 Interchange & US 101 Widening	State	0	0	0	5,000	5,000	0	5,000	5,000	0
		Fund Swap	5,500	4,526	974	0	974	0	0	0	0
		Total	5,500	4,526	974	5,000	5,974	0	5,000	5,000	0
P0607	US 101 Improvements, De La Cruz to Taylor	City	1,250	1,250	0	1,750	1,750	0	1,750	1,750	0
		Other	250	0	250	0	0	250	0	0	250
		Fund Swap	500	354	146	0	146	0	0	0	0
		Total	2,000	1,604	396	1,750	1,896	250	1,750	1,750	250
P0615	Charcot Avenue Extension	City	800	736	64	2,350	2,414	0	2,350	2,350	0
		Other	100	0	100	0	100	0	0	0	0
		Total	900	736	164	2,350	2,514	0	2,350	2,350	0
P0617	New SR 152 Alignment and Trade Corridor	State	1,750	38	1,712	550	545	1,717	0	1,717	0
		Other	150	141	9	0	9	0	0	0	0
		Fund Swap	1,750	38	1,712	400	1,095	1,016	0	1,016	0
		Total	3,650	217	3,433	950	1,650	2,733	0	2,733	0
P0619	US 101 Aux Lanes, SR 85 - Embarcadero Rd.	State	0	0	0	0	0	0	84,930	84,930	0
		Fund Swap	17,070	5,249	11,821	0	6,024	5,797	258	6,055	0
		Total	17,070	5,249	11,821	0	6,024	5,797	85,188	90,985	0
P0620	I-880 Improvements, SR 237 to US 101	State	0	0	0	0	0	0	71,600	71,600	0
		Fund Swap	23,400	5,594	17,806	0	6,862	10,944	0	10,944	0
		Total	23,400	5,594	17,806	0	6,862	10,944	71,600	82,544	0
P0621	SR 237/I-880 Planting Project	City	3,750	421	3,329	0	1,995	1,334	0	1,334	0
P0651	SR 87 Planting Project	Federal	2,520	1,574	946	0	822	124	0	124	0
		State	250	250	0	0	0	0	0	0	0
		Fund Swap	2,100	1,009	1,091	0	579	512	0	512	0
		Total	4,870	2,833	2,037	0	1,401	636	0	636	0
P0654	SR 87 Narvaez Interchange	Other	800	0	800	0	0	800	0	0	800
		Total	800	0	800	0	0	800	0	0	800

Project #	Project Name	Funding Source	A	B	C=(A-B)	D	E	F=(C+D-E)	G	H	I=(F+G-H)
			Budget as of 6/30/09	Projected Actual 6/30/09	Projected FY09 Carryover	FY10 Adopted Budget	Projected FY10 Expenditures	Projected FY10 Carryover	FY11 Adopted Budget	Projected FY11 Expenditures	Projected FY11 Carryover
P0655	Intelligent Transportation System Project	Federal	2,051	832	1,219	2,000	2,753	466	2,000	2,466	0
		Other	1,449	0	1,449	2,000	0	3,449	2,000	0	5,449
		Fund Swap	0	0	0	1,000	1,000	0	1,000	1,000	0
		Total	3,500	832	2,668	5,000	3,753	3,915	5,000	3,466	5,449
P0678	SR 237/US 101 Mathilda Interchange	Other	800	0	800	0	0	800	0	0	800
P0694	Express Lanes-SR 237/I-880 Connector	Federal	0	0	0	1,251	1,251	0	0	0	0
		Fund Swap	2,900	414	2,486	2,243	4,729	0	0	0	0
		Total	2,900	414	2,486	3,494	5,980	0	0	0	0
P0699	I-880/Coleman Highway Planting	Federal	0	0	0	1,528	1,528	0	0	0	0
		State	1,000	0	1,000	0	1,000	0	0	0	0
		Other	940	0	940	0	0	940	0	0	940
		Fund Swap	0	0	0	180	180	0	0	0	0
Total	1,940	0	1,940	1,708	2,708	940	0	0	940		
P0720	Silicon Valley Express Lanes - SR 85	Other	0	0	0	3,040	3,040	0	6,160	6,160	0
		Fund Swap	0	0	0	760	760	0	1,540	1,540	0
		Total	0	0	0	3,800	3,800	0	7,700	7,700	0
P0721	Silicon Valley Express Lanes - US 101	Other	0	0	0	1,400	1,400	0	12,600	12,600	0
		Fund Swap	0	0	0	400	400	0	3,600	3,600	0
		Total	0	0	0	1,800	1,800	0	16,200	16,200	0
Grand Total			270,624	189,978	80,646	81,032	103,809	57,870	214,253	251,398	20,725



SECTION 6
APPENDICES



VTA Financial Policies

Accounting

- VTA shall establish and maintain a high standard of accounting practices.
- VTA shall maintain records on a basis consistent with generally accepted accounting principles for local governments.
- The accounts of the Authority shall be reported using the appropriate fund accounting. Revenues shall be recognized when earned and expenses shall be recognized when incurred.
- An independent firm of certified public accountants shall perform an annual financial and grant compliance audit and shall issue an opinion that will be incorporated into the Comprehensive Annual Financial Report (CAFR).
- VTA shall submit the annual CAFR to the Government Finance Officers Association for consideration for the Certificate of Excellence in Financial Reporting.
- Internal Control policies shall be developed and maintained to include procedures that separate control of assets from accounting for those assets.
- The establishment of internal controls shall be based on the recognition that the cost of a system of internal control should not exceed the benefits derived thereof.

Revenues

- VTA shall avoid dependence on temporary/one-time revenues to fund ongoing services. Every effort shall be made to use one-time revenues for one-time expenditures.
- VTA shall continuously explore additional sources of revenue to help balance the budget, such as identifying on an annual basis excess capital property and equipment, including real property, and shall make an ongoing attempt to sell or enter into Joint Development arrangements for such property to enhance revenue.
- VTA shall maximize the use of Section 5307 formula federal grant funds for preventative maintenance to minimize the time between appropriation and drawdown of federal funds.
- VTA shall maintain a Fare Policy to ensure that there is a fair and reasonable relationship between the fares or fees charged for transit service provided and the operating costs of such services, and that fares are reviewed regularly.
- Funds shall be invested within the guidelines of the Board's approved Investment Policy and in compliance with applicable California Government Code.
- VTA shall review its investment policy annually to ensure consistency with the following objectives (in order of priority):
 - Safety of invested funds
 - Maintenance of sufficient liquidity to meet cash flow needs
 - Attainment of the maximum yield possible consistent with the first two objectives

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

- On an annual basis, VTA shall benchmark, against peer agencies (such as other governmental agencies, including transit districts), the investment performance for the following investment portfolios: VTA unrestricted and restricted funds, VTA/ATU Pension funds and Other Post Employment Benefits funds.
- When appropriate, the Board of Directors (Board) shall actively pursue legislation that would help ensure the continued accomplishment of VTA's goals and mission statement. The Board shall support efforts to ensure that legislative intent is realized in allocation of state financial resources to public transit. The Board shall actively oppose legislation that would limit or diminish revenue.

Expenditures

- VTA shall work to achieve service levels that will make the bus system easier to use, improve travel times, and be more effective.
- VTA shall continue to look for and implement the most cost effective and reliable methods of delivering transportation services.
- VTA shall maintain all assets at a level that protects capital investment and minimizes future maintenance and replacement costs.
- The risk management program shall provide protection against loss and a reduction in exposure to liability.
- VTA shall develop service changes as needed to respond to budget shortfalls using performance measures established in the Transit Sustainability Policy.
- Quarterly variance reports shall be presented to the Board of Directors to enhance operational accountability.
- An annual actuarial analysis shall be performed on VTA's Other Post Retirement Benefit Trust funds. VTA shall make annual contributions that fund the actuarially required contribution.

Budget

- VTA shall comply with all legal budget requirements of the State of California and the VTA Administrative Code.
- The budget shall be appropriated at the Fund level. The General Manager may reallocate appropriations between budget units and objects within each Fund up to the limits of each Fund's annual appropriation.
- There shall be a budgetary monitoring system that charges expenditures against approved budget appropriations.
- A balanced operating budget, in which total operating revenues exceed total operating expenditures, shall be prepared.
- The budget shall be prepared using Generally Accepted Accounting Principles with the following exceptions:
 - Inclusion of capital outlays and bond principal payments as expenditures

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

- Exclusion of depreciation, amortization of bond discounts, interest earnings on restricted reserves, and unrealized gains and losses on investments
- An operating budget, in which total projected operating and unrestricted revenues less total budgeted operating expenditures, including interest expense, maintains an Operating Reserve balance of at least 15% of the operating expenditures shall be prepared and presented for adoption.
- The budget document shall be submitted to the Government Finance Officers Association for consideration for the Distinguished Budget Presentation Award, which evaluates the document as a communications device, financial plan, operations guide, and policy document.
- Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing preventative maintenance expenditures or replacement of equipment, shall be avoided.
- VTA shall provide conservative revenue estimates that take into consideration recent experience and reflect reasonable future growth.
- The Authority shall monitor revenue sources regularly and quarterly modify forecasts as necessary to reflect the most current information available. The Authority shall also change the level of expenditures, as needed, to fit within sources of revenue.
- A budget shall be prepared that contains essential programs and projects needed to support the goals and objectives of the Authority, responds to citizen demand, within the parameters of the Transit Sustainability Policy, and reflects administrative evaluation of current needs.

Long-Range Planning

- VTA shall annually update and incorporate the VTA Financial Forecasting Model (model) as part of its long-range planning process.

Grants

- Grants are accounted for in accordance with the purpose for which the funds are intended.
 - Approved grants for the acquisition of land, building, and equipment are recorded as revenue as the related expenses are incurred
 - Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met
 - Advances received on grants are recorded as a liability until related grant conditions are met
 - When both restricted and unrestricted resources are available for the same purpose VTA shall use restricted resources first
- All grants shall be managed to comply with the laws, regulations and guidance of the grantor.
- All potential grants shall be carefully examined for matching requirements (both dollar and level-of-efforts matches).

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

- VTA shall program its federal grant funds to minimize the time between appropriation and draw down of federal funds.

Debt

- Sales Tax Revenue Bonds shall not be issued to support current operating expenditures.
- Capital projects funded through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
- Debt may be issued to accomplish the following objectives: accelerate the delivery of projects, spread cost over the useful life of an asset, smooth out annual cash flow, optimize overall financial resources, finance unfunded actuarial liabilities and refundings.
- Debt affordability shall be determined by the requirements of VTA's bond indentures (e.g. additional bonds test/debt service coverage) and VTA's ability to meet all of its on-going operating, capital and reserve requirements.
- The Authority shall remain in compliance with Securities and Exchange Commission (S.E.C.) Rules 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within the period required by each Continuing Disclosure Agreement.

Capital Improvement

- The Authority shall prepare and update annually, a 10-Year Capital Improvement Plan (CIP) including projected capital construction and improvements, service levels and operating costs and revenues to fund the capital operating programs. Capital projects included in the CIP shall be evaluated using the following criteria:
 - Total project cost (design and construction) and schedule for completion
 - Source of funding
 - On-going operating and maintenance costs
 - Benefits and contributions to the Authority and the community such as safety and service enhancements, including, but not limited to the effect on future operating and maintenance costs, economy, service, and gains in boardings
 - Alternatives considered
 - Consequences of not funding
- Priority shall be given to replacement of existing assets before consideration of new assets.

Capitalized Assets

- The Authority capitalizes all assets with an individual cost of more than \$5,000, and a useful life in excess of one year.
- Capital assets shall be stated at historical cost, and infrastructure, which includes light rail vehicle tracks, shall be capitalized.
- Improvements shall be capitalized and depreciated over the remaining useful lives of the related properties.

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

- VTA computes depreciation using the straight-line method over estimated useful lives as follows:
 - Buildings and improvements 30 to 50 years
 - Buses and maintenance vehicles 4 to 12 years
 - Light-rail structures and light-rail vehicles 25 to 45 years
 - Other operating equipment 5 to 15 years

Risk Management and Self-Insurance

- Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, VTA shall record the liabilities, including losses incurred but not reported, at 100% of the net present value. The goal is to maintain restricted cash balances in amounts equal to the present value of estimated liabilities but in no event less than the next year's projected cash outflows. An actuarial review of self-insured liabilities shall be made annually.

Reserves

- The Authority shall maintain an Operating Reserve of at least 15 percent of the operating budget for the VTA Transit Enterprise Fund. These funds are to remain unappropriated for any operating or capital use except to meet emergency needs that cannot be funded from any other source. The purpose of this reserve is to ensure that sufficient funds are always available in the event of either unanticipated revenue shortfalls or unavoidable expenditure needs.
- VTA Transit Enterprise Fund Operating Reserves in excess of 15% of the operating budget at year end shall be transferred to the Debt Reduction Fund, the use of which is governed by the Debt Reduction Fund Policy.



***Job Classifications and Pay Range
As of 7/1/09***

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Accessible Services Program Manager	85,892	104,432
Accessible Services Representative	41,497	58,286
Account Clerk I	37,049	44,711
Account Clerk II	41,497	50,084
Accountant Assistant	48,696	58,852
Accountant I	51,756	62,605
Accountant II	57,181	69,187
Accountant III	67,327	81,795
Administrative Services Assistant	44,319	58,501
Administrative Support Officer	55,365	67,327
Asset and Capital Budget Manager	92,110	121,585
Assistant Architect	68,299	83,053
Assistant Board Secretary	79,573	105,036
Assistant Civil Engineer	68,299	83,053
Assistant Cost & Schedule Coordinator	68,299	83,053
Assistant Counsel	92,110	121,585
Assistant Database Administrator	68,852	83,354
Assistant General Counsel	142,870	188,589
Assistant Real Estate Agent	59,391	71,861
Assistant Supt, Field Operations	77,909	94,717
Assistant Supt, Transit Communications	77,909	94,717
Assistant Transportation Engineer	68,299	83,053
Associate Architect	79,484	96,578
Associate Civil Engineer	79,484	96,578
Associate Claims Analyst	59,401	78,410
Associate Counsel	59,401	78,410
Associate Electrical Engineer	79,484	96,578
Associate Environmental Engineer	79,484	96,578
Associate Financial Analyst	58,127	70,675
Associate Financial Analyst - NR	59,401	78,410
Associate Human Resources Analyst	59,401	78,410
Associate Land Surveyor	70,675	85,892
Associate Management Analyst	58,127	70,675
Associate Mechanical Engineer	79,484	96,578

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Associate Network Analyst	68,852	83,354
Associate Org Dev & Training Specialist	58,127	70,675
Associate Real Estate Agent	73,250	88,701
Associate Systems Administrator	68,852	83,354
Associate Systems Design Engineer	79,484	96,578
Associate Systems Engineer	79,484	96,578
Associate Transportation Engineer	79,484	96,578
Auditor	67,327	81,795
Automotive Attendant	37,563	45,354
Board Assistant	52,244	63,222
Board Secretary	117,556	155,175
Bus Stop Maintenance Worker	40,700	49,159
Business Relations Manager	96,696	127,639
Buyer Assistant	42,268	51,061
Buyer I	46,665	56,358
Buyer II	55,303	66,951
Buyer III	61,448	74,329
Chief Administrative Officer	142,870	188,589
Chief Congestion Management Agency Officer	157,528	207,938
Chief Engineering & Construction Officer	182,365	240,722
Chief Financial Officer	173,671	229,246
Chief Information Officer	142,870	188,589
Chief of External Affairs	142,870	188,589
Chief Operating Officer	157,528	207,938
Chief SVRT Program Officer	157,528	207,938
Claims Analyst	68,758	90,761
Claims Supervisor	79,573	105,036
Client Relationship Supervisor	90,199	109,653
Communications Systems Analyst	80,192	97,212
Communications Systems Manager	90,199	109,653
Community Outreach Supervisor	70,675	85,892
Compliance Review Manager	90,199	109,653
Construction Contracts Administrator I	56,898	68,852
Construction Contracts Administrator II	71,553	86,619
Construction Inspector	60,857	73,609
Contracts Administrator I	56,898	68,852
Contracts Administrator II	71,553	86,619

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Contracts Program Manager	85,892	104,432
Cost & Schedule Coordinator	79,484	96,578
Creative Services Manager	85,892	104,432
Customer Services Supervisor	67,327	81,795
Data Base Administrator	80,192	97,212
Deputy Director	129,591	171,059
Design & Construction Manager	109,653	133,273
Disbursements Manager	92,110	121,585
Dispatcher	47,029	67,184
Dispatcher Supervisor	74,187	90,199
Document Control Clerk I	36,381	43,888
Document Control Clerk II	41,497	50,084
Document Management Supervisor	81,795	99,446
Electrician	64,148	77,594
Electro - Mechanic	66,187	75,213
Electronic Technician	66,187	75,213
Engineering Aide	45,354	54,789
Engineering Group Manager	117,556	155,175
Engineering Technician I	49,622	59,957
Engineering Technician II	55,844	67,594
Engineering Technician III	63,505	76,849
Environmental Health & Safety Specialist	73,969	89,576
Environmental Health & Safety Supervisor	77,909	94,717
Environmental Planner I	50,804	61,448
Environmental Planner II	55,303	66,951
Environmental Planner III	72,889	88,291
Executive Assistant to the General Manager	117,556	155,175
Executive Policy Advisor	117,556	155,175
Executive Secretary	53,888	71,132
Executive Secretary to General Manager	59,401	78,410
Facilities Design Manager	99,446	120,889
Facilities Maintenance Assistant	40,700	49,159
Facilities Maintenance Coordinator	81,795	99,446
Facilities Maintenance Representative	55,844	67,594
Facilities Worker	35,803	51,147
Fare Inspector	42,413	60,590
Financial Accounting Manager	92,110	121,585

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Financial Analyst	67,327	81,795
Financial Analyst -NR	68,758	90,761
Fiscal Resources Manager	111,964	147,792
Foreperson - LRT	72,191	82,035
General Counsel	180,079	180,079
General Maintenance Mechanic	55,844	67,594
General Manager	290,000	290,000
Government Affairs Manager	111,964	147,792
Graphic Designer I	49,853	60,240
Graphic Designer II	57,695	69,855
Human Resources Administrator	62,370	82,328
Human Resources Analyst	68,758	90,761
Human Resources Assistant	46,545	61,440
Human Resources Manager	111,964	147,792
Information Services Representative	37,477	53,539
Information Systems Analyst Assistant	49,622	59,957
Information Systems Analyst I	56,898	68,852
Information Systems Analyst II	68,852	83,354
Information Systems Supervisor	90,199	109,653
Investment Program Manager	90,199	109,653
Janitor	36,046	43,451
Junior Civil Engineer	62,826	76,325
Junior Cost & Schedule Coordinator	62,826	76,325
Junior Real Estate Agent	53,015	64,148
Junior Transportation Engineer	62,826	76,325
Labor Relations Supervisor	92,110	121,585
Lead Bus Stop Maintenance Worker	43,245	52,244
Lead Document Control Clerk	44,094	53,246
Lead Maintenance Worker - LRT	37,594	53,706
Lead Reprographics Services Spec	45,791	55,303
Lead Storekeeper	47,102	56,898
Lead Transit Center Maintenance Worker	44,299	53,530
Legal Secretary	56,565	74,666
Light Rail Equipment Superintendent	90,199	109,653
Light Rail Operator	35,506	59,176
Light Rail Power Foreperson	84,052	95,514
Light Rail Power Supervisor	85,892	104,432

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Light Rail Signal Maintainer	64,148	77,594
Light Rail Signal Supervisor	81,795	99,446
Light Rail Technical Trainer	74,187	90,199
Light Rail Technical Training Supervisor	81,795	99,446
Light Rail Track Maintenance Supervisor	74,187	90,199
Light Rail Vehicle Maintenance Supervisor	81,795	99,446
Light Rail Way, Power & Signal Supt	90,199	109,653
Mail Messenger	38,128	46,022
Maintenance Worker - LRT	35,803	51,147
Maintenance Instructor	77,909	94,717
Maintenance Scheduler	53,246	64,431
Maintenance Superintendent	90,199	109,653
Management Aide	51,175	62,224
Management Aide -NR	53,888	71,132
Management Analyst	67,327	81,795
Management Analyst - NR	68,758	90,761
Management Secretary	48,878	64,519
Manager, Budget Administration	92,110	121,585
Manager, Business Analysis & Debt Admin	92,110	121,585
Manager, Construction Inspection	99,446	120,889
Manager, Market Development	94,717	115,130
Manager, Ops Analysis, Reporting & Systems	90,199	109,653
Manager, Public Affairs & Customer Information	90,199	109,653
Manager, Real Estate & Project Admin	111,964	147,792
Materials & Warranty Manager	90,199	109,653
Materials Resource Scheduler	46,665	56,358
Network Analyst	80,192	97,212
Office Specialist I	37,049	44,711
Office Specialist II	41,497	50,084
Office Support Supervisor	55,365	67,327
Operations Manager	111,964	147,792
Operations Systems Supervisor	77,909	94,717
Operator	35,506	59,176
Operator - Trainee	29,598	n/a
Org Dev and Training Specialist	67,327	81,795
Overhaul & Repair Foreperson	72,191	82,035
Overhaul & Repair Mechanic	66,187	75,213

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Overhead Line Worker	77,865	88,483
Paint & Body Foreperson	72,191	82,035
Paint & Body Worker	66,187	75,213
Parts Clerk	41,263	58,947
Parts Foreperson	64,357	73,133
Passenger Facilities & Wayside Maint. Supv.	67,327	81,795
Permit Technician	51,293	62,014
Policy & Administrative Mgr - Ops	92,110	121,585
Policy & Community Relations Mgr	87,710	115,777
Principal Construction Inspector	81,795	99,446
Principal Transportation Planner	94,717	115,130
Programmer	72,555	87,853
Programmer Analyst I	49,622	59,957
Programmer Analyst II	56,898	68,852
Programmer Analyst III	68,852	83,354
Project Controls Manager	111,964	147,792
Project Controls Specialist I	56,898	68,852
Project Controls Specialist II	68,852	83,354
Project Management Office Supervisor	90,199	109,653
Public Communication Specialist I	56,898	68,852
Public Communication Specialist II	62,014	75,049
Public Information Officer	101,547	134,041
Public Relations Supervisor	77,909	94,717
Purchasing & Materials Manager	111,964	147,792
Purchasing Manager	90,199	109,653
Quality Assurance & Warranty Manager	85,892	104,432
Quality Assurance & Warranty Specialist	66,951	81,014
Reprographics Services Specialist I	38,128	46,022
Reprographics Services Specialist II	43,040	52,012
Revenue Services Manager	90,199	109,653
Risk Manager	111,964	147,792
Safety Manager	92,110	121,585
Sales & Promotions Supervisor	70,675	85,892
SAP Deployment Manager	136,085	179,632
Secretary	45,354	54,789
Service Mechanic	41,933	59,904
Service Worker	40,375	57,678

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Service Worker - Foreperson	43,520	62,171
Sr. Accountant	77,909	94,717
Sr. Architect	92,960	112,983
Sr. Assistant Counsel	111,964	147,792
Sr. Associate Counsel	75,782	100,032
Sr. Auditor	77,909	94,717
Sr. Construction Contracts Administrator	81,795	99,446
Sr. Construction Inspector	66,616	80,603
Sr. Construction Inspector - Lead	70,858	85,796
Sr. Contracts Administrator	81,795	99,446
Sr. Cost & Schedule Coordinator	92,960	112,983
Sr. Environmental Engineer	92,960	112,983
Sr. Environmental Planner	85,892	104,432
Sr. Financial Analyst	77,909	94,717
Sr. Financial Analyst (NR)	79,573	105,036
Sr. Human Resources Analyst	79,573	105,036
Sr. Information Representative	51,764	58,822
Sr. Information Systems Analyst	80,192	97,212
Sr. Land Surveyor	81,795	99,446
Sr. Management Analyst	77,909	94,717
Sr. Mechanical Engineer-Auto Systems	92,960	112,983
Sr. Real Estate Agent	85,892	104,432
Sr. Signal Maintainer	70,524	85,385
Sr. Systems Design Engineer	92,960	112,983
Sr. Systems Engineer	92,960	112,983
Sr. Track Worker	66,187	75,213
Sr. Transportation Engineer	92,960	112,983
Sr. Transportation Planner	85,892	104,432
Storekeeper	44,299	53,530
Substation Maintainer	77,865	88,483
Supervising Account Clerk	55,365	67,327
Supervising Maintenance Instructor	81,795	99,446
Supervising Vault Room Worker	52,720	64,097
Support Mechanic	43,520	62,171
Survey & Mapping Manager	94,717	115,130
Systems Administrator	80,192	97,212
Systems Design Manager	99,446	120,889

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Job Classification	Minimum Annual Salary	Maximum Annual Salary
Technical Project Manager	80,192	97,212
Technical Trainer	74,187	90,199
Technical Training Supervisor	81,795	99,446
Technology Infrastructure Supervisor	90,199	109,653
Technology Manager	111,964	147,792
Track Worker	56,834	64,584
Transit Center Maintenance Worker	41,677	50,341
Transit Division Supervisor	74,187	90,199
Transit Foreperson	72,191	82,035
Transit Maintenance Supervisor	81,795	99,446
Transit Mechanic	66,187	75,213
Transit Mechanic - G	56,834	64,584
Transit Mechanic - Hydrogen	69,519	78,998
Transit Radio Dispatcher	47,029	67,184
Transit Safety Officer	64,097	77,909
Transit Service Development Supervisor	74,187	90,199
Transit Svc Development Specialist I	48,465	58,568
Transit Svc Development Specialist II	56,358	68,236
Transit Systems Safety Supervisor	77,909	94,717
Transportation Engineering Manager	99,446	120,889
Transportation Planner I	50,804	61,448
Transportation Planner II	60,857	73,609
Transportation Planner III	72,889	88,291
Transportation Planning Aide	42,268	51,061
Transportation Planning Manager	101,547	134,041
Transportation Superintendent	90,199	109,653
Transportation Supervisor	74,187	90,199
Union Business	n/a	n/a
Upholsterer	66,187	75,213
Upholstery Foreperson	72,191	82,035
Utilities Coordination Manager	81,795	99,446
Utility Coordinator	66,616	80,603
Utility Worker	39,569	47,770
Vault Room Worker	37,923	45,791
Vehicle Parts Supervisor	74,187	90,199
Warranty Coordinator	81,795	99,446
Webmaster	80,192	97,212

VTA Transit
Revenue and Expense Category Descriptions

Line	Category	Description
1	Fares	Fares from Bus, Light Rail, & VTA operated Shuttles
2	1976 Half-Cent Sales Tax	1976 Half-Cent Sales Tax
3	TDA	Transportation Development Act (TDA), derived from 1/4 cent of state's 6% sales tax, limited to development & support of public transit
4	Measure A Sales Tax-Operating Assistance	Portion of 2000 Measure A 1/2 cent sales tax allocated to fund VTA operating and maintenance costs (18.5%)
5	STA	State Transit Assistance (STA); Sales tax on gasoline & diesel fuel; distributed based on population & operator's prior year revenues
6	Federal Operating Grants	Primarily from Section 5307 of SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users/Congress 2005) for Preventive Maintenance
7	State Operating Grants	AB434 Transportation Fund for Clean Air (TFCA) Program grants derived from vehicle registration fees. Used to fund light rail and ACE shuttles
8	Investment Earnings	Earnings on investments
9	Advertising Income	Advertising on vehicles and bus shelters
10	Other Income	Measure A repayment obligation to VTA; Property Rental; Developer Fees; License Fees; Insurance Refund; Permit Fees; ID Cards, Sale of Plans
11	Total Revenue	Sum of lines 1 to 10
12	Labor Costs	Wages & Fringe Benefits for all employees
13	Materials & Supplies	Vehicle Parts; Fasteners; Small Tools; Maintenance Supplies; Lubricants; Oils; Fluids; Gasoline for Non-Revenue vehicles; Propane; Janitorial & Safety Supplies
14	Security	AlliedBarton & Santa Clara County Sheriffs' Contract
15	Professional & Special Services	Outside Consulting & Specialized Professional Services; Auditors; Special Studies
16	Other Services	Outside Repair; Laundry Service; Towing; Ads & Promotion; External Printing
17	Fuel	Diesel, Bio-Diesel, and Gasoline for Revenue Vehicles
18	Traction Power	Electricity Cost for Light Rail System
19	Tires	Tires for Revenue Vehicles
20	Utilities	Non-Traction Power Electricity; Gas; Water and Trash
21	Insurance	Property & Casualty Premiums and Self-Insurance annual reserve
22	Data Processing	Software license fees and PC/Hardware purchases
23	Office Expense	Office supplies
24	Communications	Telephone and Cell Phone Usage

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET

Line	Category	Description
25	Employee Related Expense	Safety shoes; mileage, parking, and toll reimbursements; professional licenses; education & training; workshops; travel; employee recognition costs; operators' driver licenses
26	Leases & Rents	Equipment Leases (reproduction equipment) and Property Rentals (such as transit centers)
27	Miscellaneous	Books & Subscriptions; Board member expenses; legal notices; membership dues; in-house printing costs; postage
28	Reimbursements	Reimbursement of staff labor & contract charges for reimbursable projects and programs - usually capital projects
29	Subtotal Operating Expense	Sum of lines 12 to 28
30	Paratransit	Outreach Contract (expenses net of revenues) and allocation of indirect costs
31	Caltrain	VTA costs associated with providing Caltrain rail service operating between San Francisco & Gilroy and allocation of indirect costs
32	Light Rail Shuttles	Contract costs associated with providing Light Rail Shuttle Program linking LRT stations with employment centers and allocation of indirect costs
33	Altamont Commuter Express	VTA costs associated with Altamont Commuter Express (ACE and allocation of indirect costs
34	Highway 17 Express	VTA costs associated with providing Highway 17 Express Bus service and allocation of indirect costs
35	Dumbarton Express	VTA costs associated with providing transbay express bus service and allocation of indirect costs
36	Monterey-San Jose Express	VTA costs associated with providing Monterey to San Jose Express Bus service and allocation of indirect costs
37	Contribution to Other Agencies	Managing Agency (VTA) contribution to Congestion Management Program; Payment to BART for administering the Regional Transit Connection Discount Card Program (RTC) for ADA passenger IDs; Payments to cities for a portion of the revenue generated from bus shelter advertising
38	Debt Service	Interest, Principal, and payment of other bond charges
39	Other Expense	Minor miscellaneous non-operating expense items
40	Subtotal Other Expense	Sum of lines 30 to 39
41	Operating and Other Expense	Line 29 plus line 40
42	Contingency	Organization-wide contingency fund for urgent and unexpected programs
43	Contingency-Utilization	Reflects actual transfers out from Contingency
44	Total Expenses & Contingency	Sum of lines 41 to 43
45	Surplus/(Deficit) to Reserves	Line 11 minus line 44

***2000 Measure A Transit Improvement Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	2000 Half-Cent Sales Tax	2000 Measure A Half-Cent Sales Tax
2	Investment Earnings	Earnings on investments
3	Other Income	Property Rental
4	Total Revenue	Sum of lines 1 to 3
5	VTA Operating Assistance	Portion of 2000 Measure A 1/2 cent sales tax allocated to fund VTA operating and maintenance costs (18.5 percent)
6	Professional & Special Services	Outside Consulting and Specialized Professional Services; Auditors; Special Studies
7	Contributions to Other Agencies	Payment for ballot measures and operating contribution for phase II ZEB project
8	Debt Service	Interest, Principal, and payment of other bond charges
9	Repayment Obligation	Payment to VTA for Debt Service incurred on behalf of Measure A Projects
10	Total Expense	Sum of lines 5 to 9
11	Surplus/(Deficit) to Reserves	Line 4 minus line 10



***Congestion Management Program
Revenue and Expense Category Descriptions***

Line	Category	Description
1	Federal Operating Grants	STP Planning grant
2	State Operating Grants	TFCA 40 percent Local Program Manager Administrator fees and SB-45 Programmed Project Monitoring Funds (PPM)
3	Member Agency Fees	Fees paid by the County of Santa Clara, the 15 cities, and the Managing Agency (VTA)
4	Other Income	Revenues received for providing CMP's Regional Transportation Model to other entities
5	Total Revenue	Sum of lines 1 to 4
6	Professional & Special Services	Outside Consulting and Specialized Professional Services
7	Other Services	Ads & Promotion; External Printing
8	Data Processing	Specialized PC hardware and software
9	Office Expense	Office supplies
10	Miscellaneous	Books and Subscriptions; membership dues; in-house printing costs; postage; mileage, parking, and toll reimbursements
11	VTA Staff Services	Labor, benefits, and allocation of indirect costs for VTA staff providing support of Congestion Management Program
12	Total Expense	Sum of Lines 6 to 11
13	Surplus/(Deficit) to Reserves	Line 5 minus line 12



1996 Measure B Transportation Improvement Program

Overview

In November 1996, the voters in Santa Clara County approved Measure A, an advisory measure listing an ambitious program of transportation improvements for Santa Clara County. Also approved on the same ballot, Measure B authorized the County Board of Supervisors to collect a nine-year half-cent sales tax for general county purposes. Subsequently, the County Board of Supervisors adopted a resolution dedicating the tax for Measure A projects. Collection of the tax began in April 1997; however, use of the revenue was delayed pending the outcome of litigation challenging the legality of the sales tax. In August 1998, the California courts upheld the tax allowing the implementation of the Measure A transportation projects to move forward.

In February 2000, the VTA Board of Directors approved a Master Agreement formalizing the partnership with the County of Santa Clara to implement the 1996 Measure B Transportation Improvement Program (1996 MBTIP). With this partnership in place, the County and VTA were in a position to complete a transportation program valued at over \$1.4 billion. VTA was responsible for project implementation and management of the transit and highway projects and assisted in the administration of the pavement management and bicycle elements of the program.

The Measure B sales tax expired on March 31, 2006. Subsequent to expiration of the tax, VTA executed two amendments to the Master Agreement; one to allocate Measure B funding for station improvements at the Palo Alto and California Avenue Caltrain stations, and one to define the financial terms and responsibilities to complete the 1996 MBTIP. This final amendment, No. 20, takes into consideration the projects still in progress; reconciles remaining payments between VTA and the County, and establishes priorities in the event that remaining contracts are closed-out under budget. Pursuant to the amendment, the County made a lump sum payment to VTA for the completion of the projects remaining to be advertised and closed out. It is anticipated that all remaining 1996 MBTIP projects will be completed and closed out by the end of Fiscal Year 2011.

1996 Measure B Transportation Improvement Program

Capital Carryover

Capital project appropriations do not expire at the end of the fiscal year and are carried forward until the project is completed. Capital carryover is defined as appropriation that is unspent at the end of the fiscal year. The local share of capital carryover at the end of each fiscal year is reported as restricted assets on the agencies financial statements. The following table reflects the projected carryover at 6/30/09 as well as the additional appropriation, estimated expenditures, and projected year-end carryover for FY 2010 and FY 2011 by project.

(Dollars in Thousands)

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryover	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryover	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryover
P0002	Vasona Light Rail Project	Federal	61,505	61,505	0	0	0	0	0	0	0
		State	15,000	15,000	0	0	0	0	0	0	0
		City	580	580	0	0	0	0	0	0	0
		Other	56,417	56,417	0	0	0	0	0	0	0
		Fund Swap	1,644	1,644	0	0	0	0	0	0	0
		1996 Measure B	161,225	160,542	684	0	684	0	0	0	0
		VTA Transit	16,500	16,500	0	0	0	0	0	0	0
		Total		312,871	312,187	684	0	684	0	0	0
Rail Facility Expansion Total			312,871	312,187	684	0	684	0	0	0	0
P3034	San Martin Parking Expansion	1996 Measure B	4,314	4,081	233	0	233	0	0	0	0
P3038	California Avenue Pedestrian Underpass	1996 Measure B	8,414	6,598	1,816	0	1,816	0	0	0	0
P3039	Palo Alto Pedestrian Underpass	1996 Measure B	6,436	5,090	1,346	0	1,346	0	0	0	0
Passenger Facilities Total			19,164	15,769	3,395	0	3,395	0	0	0	0
P0187	SR 85/SR 87 Interchange	State	3,500	3,500	0	0	0	0	0	0	0
		1996 Measure B	39,600	39,581	19	0	19	0	0	0	0
		Total	43,100	43,081	19	0	19	0	0	0	0
P0189	SR 85/US 101 Interchange - Mt. View	Fund Swap	27,154	26,800	354	0	354	0	0	0	0
		1996 Measure B	100,307	100,078	229	0	91	138	0	138	0
		Total	127,461	126,878	583	0	444	138	0	138	0
P0191	SR 87 HOV Lanes - North	1996 Measure B	11,346	11,252	94	0	94	0	0	0	0
P0192	SR 17 Improvements	1996 Measure B	26,676	26,418	258	0	126	132	0	132	0
P0193	SR85/US 101 Interchange - San Jose	State	25,206	25,206	0	0	0	0	0	0	0
		City	99	99	0	0	0	0	0	0	0
		1996 Measure B	42,539	42,401	138	0	138	0	0	0	0
		Total	67,844	67,706	138	0	138	0	0	0	0
P0273	SR 152 Improvement	City	5,494	5,494	0	0	0	0	0	0	0
		1996 Measure B	18,157	17,920	237	0	237	0	0	0	0
		Total	23,651	23,414	237	0	237	0	0	0	0
Highway Total			300,079	298,750	1,328	0	1,058	270	0	270	0

Project #	Project Name	Funding Source	A Budget as of 6/30/09	B Projected Actual 6/30/09	C=(A-B) Projected FY09 Carryover	D FY10 Adopted Budget	E Projected FY10 Expenditures	F=(C+D-E) Projected FY10 Carryover	G FY11 Adopted Budget	H Projected FY11 Expenditures	I=(F+G-H) Projected FY11 Carryover
P0274	Combined Biological Mitigation Site	1996 Measure B	6,431	5,312	1,119	0	635	484	0	484	0
P0560	SC Valley Habitat Conservation Plan/NCCP	Fund Swap	150	150	0	0	0	0	0	0	0
		1996 Measure B	750	577	173	0	114	59	0	59	0
		Total	900	727	173	0	114	59	0	59	0
P0652	Measure B Close Out	1996 Measure B	3,800	0	3,800	0	0	3,800	0	3,800	0
Miscellaneous Total			11,131	6,038	5,093	0	749	4,343	0	4,343	0
Grand Total			643,244	632,744	10,500	0	5,886	4,614	0	4,614	0

VTA FY 2010 & FY 2011 ADOPTED BIENNIAL BUDGET



Santa Clara County Demographic and Economic Information

General Information

The County of Santa Clara (the "County") lies immediately south of San Francisco Bay and is the sixth most populous county in the State of California (the "State"). It encompasses an area of approximately 1,300 square miles. The County was incorporated in 1850 as one of the original 27 counties of the State and operates under a home rule charter adopted by County voters in 1950 and amended in 1976.

The southern portion of the County has retained the agricultural base which once existed throughout the area and has two cities, separated by roughly 10 miles. The northern portion of the County is densely populated, extensively urbanized and heavily industrialized. The County contains 15 cities, the largest of which is the City of San Jose, the third largest city in the State and the County seat. The uppermost northwestern portion of the County, with its concentration of high-technology, electronics-oriented industry, is popularly referred to as the "Silicon Valley".

Neighboring counties include San Mateo in the northwest, Santa Cruz in the southwest, San Benito in the south, Merced and Stanislaus in the east, and Alameda in the northeast. The City of San Jose is approximately 50 miles south of San Francisco and 42 miles south of the City of Oakland. These are the three largest cities of the nine-county San Francisco Bay Area, with the City of San Jose being the largest.

As required under the County Charter and under County ordinances, or by State and federal mandate, the County is responsible at the local level for activities involving public welfare, health and justice (courts and jails) and for the maintenance of public records. The County also operates recreational and cultural facilities serving the unincorporated areas of the County and on a regional basis.

Population

Historical Population Growth. Over the past 60 years, the County's population growth pattern has exhibited three decades of rapid growth followed by three decades of more sustainable growth rates.

According to U.S. Census figures, the number of County residents grew by 66% between 1940 and 1950, with most of the increase concentrated in the unincorporated areas and in the largest cities of San Jose, Palo Alto and Santa Clara. In the next decade, from 1950 to 1960, population grew by 121% with every major city as well as the unincorporated areas experiencing huge increases. The County also recorded the incorporation of four new cities during the 1950s, raising the total number of cities to its current level of fifteen.

The County's population growth subsided somewhat during the 1960s, although the 66% growth rate was over four times the 15.4% statewide increase. The population of San Jose doubled for the second decade in a row, while the cities of Mountain View, Santa Clara, and Sunnyvale

added at least 23,000 residents each. As a result of the incorporation of four cities, the unincorporated area of the County posted its first decline in the 1960s, setting the stage for further drops in each of the subsequent three decades.

The County population growth rate fell to 21.5% during the 1970s. San Jose continued to add more residents (183,621) than any other city, while two of the larger cities (Palo Alto and Santa Clara) recorded small population declines and residents in the unincorporated area fell by 25,160. The slower growth of the 1970's reflected a slowing urbanization, due in part to policies adopted by the County to preserve agricultural areas.

The data from the 2000 U.S. Census indicate that the County's population reached 1,682,585, representing a 12.4% increase from the population base in 1980. Over the same period, statewide population grew more rapidly at a rate of 13.8%. San Jose surpassed San Francisco as the largest city in the Bay Area, with a population of 894,943. According to the 2000 census data, over one-half of the County's residents live in San Jose.

The proportion of residents living in cities is currently 94.4%, in contrast to the County's makeup in 1940 when urban residents made up only 6.5% of the County's population. Since the 1940s, the increasing maturation of the County's employment and economic sectors has resulted in the incorporation of new cities as well as the expansion of city boundaries, resulting in a shrinking fraction (currently 5.6%) of residents living in unincorporated areas.

Recent Annual Population Performance. Between 2000 and 2009, the County experienced population growth of 10.4%. Most of the cities in the County experienced growth during this period, with the City of Gilroy posting the fastest growth (24.2%). From 2008 to 2009, Milpitas and Palo Alto were the fastest growing cities in the County, growing at rates of 2.4% and 2.2%, respectively. As of January 1, 2009, the State of California Department of Finance estimates that San Jose has a population of 1,006,892, making it the tenth city in the United States to exceed 1 million persons. The number of residents living in the unincorporated areas of the County decreased by 6.3% from 2000 to 2009. Currently, approximately 5.1% of the County residents live in unincorporated areas, a percentage which has steadily decreased over time as the population continues to migrate toward the cities.

By the year 2020, the State Department of Finance predicts that the County's population will grow to approximately 2.0 million residents, a 7.3% increase from 2009.¹ The table on the following page provides a historical summary of population in the County and its incorporated cities.

¹ State of California, Department of Finance, Demographic Research Unit (Report P-1).

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County of Santa Clara Population

<u>City</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Campbell	24,731	26,843	36,088	38,138	38,580	39,748	39,992	40,420
Cupertino	18,216	34,297	39,967	50,602	54,082	55,162	55,059	55,840
Gilroy	12,665	21,641	31,487	41,464	48,747	49,649	50,947	51,508
Los Altos	24,872	25,769	26,599	27,693	27,729	28,104	28,172	28,458
Los Altos Hills	6,862	7,421	7,514	8,025	8,520	8,607	8,800	8,889
Los Gatos	23,466	26,906	27,357	28,592	29,116	29,407	30,170	30,497
Milpitas	27,149	37,820	50,690	62,698	65,554	66,568	69,135	70,817
Monte Sereno	3,074	3,434	3,287	3,483	3,528	3,565	3,565	3,619
Morgan Hill	6,485	17,060	23,928	33,586	37,256	38,418	39,051	39,814
Mountain View	54,206	58,655	67,365	70,708	72,316	73,262	73,618	74,762
Palo Alto	55,999	55,225	55,900	58,598	62,424	62,615	63,098	64,484
San Jose	445,779	629,400	782,224	895,131	957,915	973,672	985,307	1,006,892
Santa Clara	87,717	87,700	93,613	102,361	111,258	114,238	115,018	117,242
Saratoga	27,199	29,261	28,061	29,849	30,973	31,401	31,458	31,679
Sunnyvale	95,408	106,618	117,324	131,844	134,142	135,721	136,852	138,826
Unincorporated	152,181	127,021	106,173	99,813	98,309	97,919	99,138	93,874
County Total	<u>1,066,009</u>	<u>1,295,071</u>	<u>1,497,577</u>	<u>1,682,585</u>	<u>1,780,449</u>	<u>1,808,056</u>	<u>1,829,480</u>	<u>1,857,621</u>
California	18,136,045	23,668,145	29,760,021	33,873,086	37,195,240	37,662,518	37,883,992	38,292,687

Note: Totals may not be precise due to independent rounding

Source: U.S. Census; State of California, Department of Finance, Demographic Research Unit (E-1 City/County Population).

Employment and Industry

The County is home to a highly skilled and diverse work force, a situation that has traditionally translated into lower unemployment rates in the County when compared to State and national average unemployment rates. From 1997 through 2000, job growth in Silicon Valley was extraordinary, with the addition of more than 103,300 jobs. However, the County's unemployment rate rose sharply between 2000 and 2003 as a result of the retraction in the communications and high technology industries that dominate the County's employment base. From December 2000 to January 2004, over 200,000 jobs were lost in Santa Clara County. Since 2003, the unemployment rate in the County declined, and averaging 4.5% for 2006 compared to 8.4% in 2003. However, as was the case in the rest of the United States, economic growth in the County slowed considerably in 2007, with much lower job growth than in the prior several years, and with the unemployment rate in the County increasing from 4.5% in 2006 to 4.7% in 2007 and 6.0% in 2008.

At the end of 2008 the County had 921,200 wage and salary jobs. Three major industry sectors comprise approximately 53% of the County's employment: Professional & Business Activities (19.4%), Manufacturing (18.2%) and Trade, Transportation & Utilities (15.0%).

Development of high technology has been enhanced by the presence of Stanford University, Santa Clara University, San Jose State University, other institutions of higher education, and research and development facilities, such as SRI International, the Stanford Linear Accelerator

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Center, and Ames Research Center (NASA) within the County. In addition, the Rincon de los Esteros Redevelopment Area in northern San Jose has been the site of industrial/research and development submarkets in Silicon Valley.

The following table lists wage and salary employment in the County by Industry.

County of Santa Clara
Average Annual Employment by Industry¹
(In Thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Civilian Labor Force ²	891.6	850.1	824.9	819.9	829.9	852.3	879.9
Employment	816.9	779.2	771.7	776.0	792.7	812.3	827.2
County Unemployment	74.7	71.0	53.2	43.9	37.2	40.0	52.7
Unemployment Rate:							
County	8.40%	8.30%	6.40%	5.40%	4.50%	4.70%	6.00%
State of California	6.70%	6.90%	6.30%	5.40%	4.90%	5.40%	7.20%
Industry Employment³							
Total, All Industries	924.1	876.9	868.7	876.3	897.4	917.9	921.2
Total Farm	6.9	6.6	6.7	6.3	6.2	6.7	6.1
Total Non-farm	917.2	870.3	862	869.9	891.2	911.2	915.1
Goods Producing	245.5	217.3	210.3	209.6	210.8	214.2	212.6
Natural Resources & Mining	0.2	0.2	0.1	0.2	0.3	0.3	0.3
Construction	44.4	41.6	43	44.5	46.8	47.2	44.2
Manufacturing	200.9	175.5	167.2	164.9	163.7	166.7	168
Service Providing	671.7	653	651.7	660.3	680.4	697	702.5
Trade, Transportation &							
Utilities	137.4	132	130.9	132.8	137.1	139.7	138.5
Information	34.3	31.4	32.6	35.3	37.5	39.6	41.7
Financial Activities	35.6	35.1	35.4	36.3	37.1	37.2	34.8
Professional & Business							
Services	175	167.6	165.6	165.8	172	178.3	178.7
Education & Health Services	91.7	93.5	95	96.8	100.4	103.2	107.5
Leisure & Hospitality	68.8	69	70.9	72.8	75.2	76.8	78.2
Other Services	26.4	25.3	25	24.6	24.8	25.1	25.3
Government	102.5	99.2	96.3	95.9	96.4	97.2	97.8

¹ Data in this table is for Santa Clara and San Benito Counties combined (San Jose-Santa Clara-Sunnyvale MSA), where Santa Clara County employment share is approximately 98.3% of the total. Industry classification is using the North American Industry Classification System (NAICS).

² Labor force data are based upon place of residence. Employment includes self-employed, unpaid family workers, domestics, and workers involved in labor-management disputes.

³ Industry employment is reported by place of work. Data are benchmarked to March 2008.

Source: Employment Development Department.

Major Employers

The County, which is centered in the heart of Silicon Valley, is home to numerous high technology and computer software and hardware manufacturing companies. Public-sector employers continue to top the list of the largest employers in Silicon Valley. The County ranks as number one, employing over 15,000 workers. In addition, the City of San Jose has over 6,500 full-time employees. Although there have been hiring freezes and cut-backs that have impacted public-sector organizations, such organizations typically tend to remain more stable in a volatile job market.

The tables on the following pages list the 15 largest private-sector and 8 largest public-sector employers in the Silicon Valley, which encompasses the County and surrounding areas.

***15 Largest Private-Sector Employers
Silicon Valley***

Employer Name	Employees	Nature of Operations
Cisco Systems Inc.	17,200	Computer network equipment manufacturer
Stanford University, Hospital & Clinics, Linear Accelerator	16,600	Academic research, hospital, medical research, electron accelerators, related facilities
Lockheed Martin Space Systems Co.	7,900	Aerospace systems
Oracle Corp.	7,500	Software
Hewlett-Packard Co.	7,000	Technology solutions provider
Sun Microsystems Inc.	6,790	Network computing servers, storage, software and services
Intel Corp.	6,720	Microprocessor manufacturer
New United Motor Manufacturing Inc.	5,200	Automotive manufacturing
Kaiser Permanente	5,000	Health care organization
Safeway Inc.	5,000	Food and drug retailer
IBM Corp.	4,304	Information technologies provider
Applied Materials Inc.	3,872	Nanomanufacturing technology solutions
Ebay Inc.	3,010	Online global trading platform
KLA-Tencor Corp	2,850	Semiconductor equipment manufacturer
Hitachi America Ltd.	2,800	High-tech products supplier

Source: Silicon Valley/San Jose Business Journal, *Book of Lists 2008*, July 25, 2008.

8 Largest Public-Sector Employers Silicon Valley

<u>Employer Name</u>	<u>Employees</u>	<u>Nature of Operations</u>
Santa Clara County	15,000	County government
State of California	7,708 ¹	State government
City of San Jose	6,187	Municipal government
San Jose State University	5,727	Higher education
Santa Clara Valley Medical Center	4,063	Hospital
University of California, Santa Cruz	2,879	Higher education
San Jose Unified School District	2,670	Public education
Santa Cruz County	2,335	County government

¹ Full-time employees in Santa Clara, San Mateo, Santa Cruz, San Benito, and Monterey Counties.

Source: Silicon Valley/San Jose Business Journal, *Book of Lists 2008*, July 25, 2008.

Income

Owing to the presence of relatively high-wage skilled jobs and wealthy residents, the County historically achieves high rankings relative to the rest of the state on a variety of income measurements. The U.S. Census Bureau reported Santa Clara County as having the 10th highest median household income in the United States, and the highest among California counties, at \$83,074 (2007 inflation adjusted).²

Commercial Activity

Ranking first among San Francisco Bay Area counties and fourth among all California counties in terms of retail activity through 2007, the County is an important center of commercial activity. Taxable sales activities at business and personal service outlets, as well as at other non-retail commercial establishments, are a significant component of the County's commercial activity.

The table on the following page sets forth the amount of taxable transactions from 2001 through 2007, which is the last full calendar year for which information is available.

² U.S. Census Bureau Factsheet, Santa Clara County, California.

County of Santa Clara
Taxable Transactions by Sector
2002 through 2007¹
(Dollars in Millions)

Sector	2002	2003	2004	2005	2006	2007
Apparel Stores	881.9	929.5	1,051.0	1,169.1	1,264.2	1,334.1
General Merchandise Stores	2,569.6	2,589.3	2,718.4	2,839.9	2,979.4	3,112.5
Specialty Stores	2,952.5	2,908.6	3,059.4	3,377.9	3,674.3	4,047.9
Food Stores	833.9	819.9	819.6	830.5	849.3	890.3
Eating and Drinking Places	2,136.9	2,139.3	2,283.2	2,440.4	2,645.8	2,813.5
Home Furnishings and Appliances	851.5	798.6	830.5	850.6	879.9	901.2
Building Materials	1,278.0	1,314.7	1,539.7	1,577.2	1,659.8	1,581.9
Automotive	4,440.3	4,556.4	4,936.5	5,289.9	5,534.3	5,600.1
Other Retail Stores	480.6	458.7	485.8	528.1	552.9	508.7
Total Retail Stores	16,425.2	16,515.1	17,724.1	18,903.5	20,039.9	20,790.3
Business and Personal Services	1,577.2	1,335.6	1,190.6	1,214.6	1,265.3	1,244.4
All Other Outlets	9,451.5	9,211.9	9,576.9	10,075.7	10,968.0	11,628.7
Total All Outlets²	27,453.9	27,062.7	28,491.6	30,193.8	32,273.2	33,663.4

¹ Most recent data available

² Totals may not be precise due to independent rounding

Source: State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

The local economy started to slow down in late calendar year 2007 and the beginning of 2008, leading to a decline in taxable sales. Contributing to the slowdown of the local economy are recent increases in energy, food, and raw material costs, and a downturn in the housing industry. Reduced home building, home sales, and auto sales contributed to a slowdown in taxable sales growth.

Construction Activity and Home Sales

The housing downturn continued to slow the County economy in 2008. Home building, home sales, and related retail sales all declined in the County. The problems with subprime mortgages and the related financial market volatility and credit tightening have worsened the housing sector downturn and raised the risk of further deterioration. Construction data for the County indicates that the value of new residential permits and the value of non-residential permits in 2008 are below 2001 level in. The number of new single family dwelling units in the County for 2008 is also below the 2001 level. New multiple-family dwelling units in 2008 have decreased from the 2001 level by 44%. The valuations of new residential building permit activity have decreased from the 2001 level by 0.1%. The total valuation of new residential and non-residential

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construction permits issued in the County was approximately \$2.97 billion in 2008, representing a decrease of \$0.339 billion (10.3%) from the 2001 total valuation.

The following tables provide a summary of building permit valuations and the number of new dwelling units authorized in the County since 1999.

County of Santa Clara
Building Permit Valuations
1999 to 2008
(Dollars in Millions)

Year	New Residential	New Non-Residential	Total
1999	1,306.0	1,855.9	3,162.0
2000	1,348.8	2,865.9	4,214.6
2001	1,051.5	2,254.8	3,306.3
2002	1,087.3	1,330.6	2,417.9
2003	1,466.4	972.9	2,439.3
2004	1,406.2	915.8	2,322.0
2005	1,537.3	1,287.8	2,825.1
2006	1,652.9	1,534.1	3,187.1
2007	1,378.2	1,986.2	3,364.4
2008	1,052.4	1,915.0	2,967.4

Source: Construction Industry Research Board.

County of Santa Clara
Number of New Dwelling Units
1999 to 2008

Year	Single Family	Multiple Family	Total
1999	3,333	3,677	7,010
2000	2,834	4,220	7,054
2001	1,641	4,319	5,960
2002	2,057	2,456	4,513
2003	2,320	5,170	7,490
2004	2,689	2,816	5,505
2005	2,577	3,295	5,872
2006	2,257	3,928	6,185
2007	2,063	2,520	4,583
2008	1,259	2,419	3,678

Source: Construction Industry Research Board.

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Existing home sales in the County continued the decrease that began at the start of 2005. Sales of single-family homes fell 0.6% for the calendar year 2008 compared to calendar year 2007, and the median price for a single-family home in the County was down 21.2% for the calendar year 2008 compared to calendar year 2007.¹

¹ Source: 2008 RE Report, The Real Estate Report for Santa Clara County, California (www.rereport.com).



List of Acronyms

<u>Term</u>	<u>Definition</u>
ABAG	Association of Bay Area Governments
AC	Alameda County
ACCMA	Alameda County Congestion Management Agency
ACE	Altamont Commuter Express
ACS	Advanced Communication System
ACTIA	Alameda County Transportation Improvement Authority
ADA	The Americans with Disabilities Act of 1990
AFSCME	American Federation of State, County and Municipal Employees
APC	Automated Passenger Counter
ARRA	American Recovery and Reinvestment Act of 2009
ATN	Automated Transit Network
ATU	Amalgamated Transit Union
BAAQMD	Bay Area Air Quality Management District
BART	Bay Area Rapid Transit District
BCDC	San Francisco Bay Conservation and Development Commission
BEP	Bicycle Expenditure Plan
BRT	Bus Rapid Transit
CAFR	Comprehensive Annual Financial Report
CalPERS	California Public Employees' Retirement System
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CDT	Community Design and Transportation
CFO	Chief Financial Officer
CIMS	Consortium Information Management System
CIP	Capital Improvement Program
CIPOC	Capital Improvement Program Oversight Committee
CMA	Congestion Management Agency
CMAQ	Congestion Mitigation/Air Quality Program
CMIA	Corridor Mobility Improvement Account
CMP	Congestion Management Program
COA	Comprehensive Operations Analysis

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<u>Term</u>	<u>Definition</u>
CTA	Committee for Transit Accessibility
CTC	California Transportation Commission
DBE	Disadvantaged Business Enterprise
DTEV	Downtown East Valley
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
FHWA	Federal Highway Administration
FMLA	Family Medical Leave Act
FRR	Freight Rail Relocation
FTA	Federal Transit Administration
FTE	Full-Time Equivalent
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GM	General Manager
HOV	High Occupancy Vehicle
HVAC	Heating, Ventilation and Air Conditioning Systems
ICAP	Indirect Cost Allocation Plan
IRS	Internal Revenue Service
ITIP	Interregional Transportation Improvement Program
ITS	Intelligent Transportation Systems
JPA	Joint Powers Authority
kHz	Kilohertz
LAN	Local Area Network
LPR	Local Program Reserve
LR	Light Rail
LRT	Light Rail Transit
LRV	Light Rail Vehicle
MBTIP	1996 Measure B Transportation Improvement Program
METRO	Santa Cruz Metropolitan Transit District
MPO	Metropolitan Planning Organization
MSA	Metropolitan Statistical Area
MSDS	Material Data Safety Sheet

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<u>Term</u>	<u>Definition</u>
MST	Monterey-Salinas Transit
MTC	Metropolitan Transportation Commission
NAICS	North American Industry Classification System
NASA	National Aeronautics and Space Administration
NCCP	Natural Community Conservation Planning
NIMS	National Incident Management System
NO _x	Nitrogen Oxide
NR	Non-represented
NRV	Non-revenue Vehicle
O&R	Overhaul and Repair
OCS	Overhead Catenary System
OPEB	Other Post Employment Benefits
PAB	Policy Advisory Board
PCJPB	Peninsula Corridor Joint Powers Board (Caltrain)
PRT	Person Rapid Transit
PTMISEA	Public Transportation Modernization, Improvement, and Service Enhancement Account
RFP	Request for Proposal
RIP	Regional Improvement Program
RM2	Regional Measure 2
ROW	Right of Way
RTC	Regional Transit Connection Discount Card Program
RTI	Real Time Information
RTP	Regional Transit Plan
RTPA	Regional Transit Planning Agency
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act
SAP	Systems, Applications and Products Software
SC	Santa Clara
SCADA	Supervisory Control and Data Acquisition
SEC	Securities and Exchange Commission
SEIU	Services Employees International Union
SEMP	Systems Engineering Management Plans
SHA	State Highway Account

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<u>Term</u>	<u>Definition</u>
SHOPP	State Highway Operation and Protection Program
SJ	San Jose
SJRRC	San Joaquin Regional Rail Commission
SLPP	State Local Partnership Program
SR	State Route
SRI	Stanford Research Institute
SRTP	Short Range Transit Plan
STA	State Transit Assistance
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
SVRT	Silicon Valley Rapid Transit Corridor Project
TAEA	Transportation Authority Engineers and Architects' Association
TBD	To Be Determined
TCRP	Transportation Congestion Relief Program
TDA	Transportation Development Act
TE	Transportation Enhancement
TFCA	Transportation Fund for Clean Air
TIC	True Interest Cost
TP&D	Transportation Planning & Development Account
TSGP	Transit Security Grant Program
TVM	Ticket Vending Machine
UPRR	Union Pacific Railroad
UPS	Uninterrupted Power System
UZA	Urbanized Area
VTA	Santa Clara Valley Transportation Authority
VTP	Valley Transportation Plan
VTV	VTA Television
WP	Western Pacific
ZEB	Zero Emission Bus

Glossary of Terms

A

Accrual Accounting

A method of accounting where revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

Adopted Budget

The official budget adopted by VTA Board of Directors.

Altamont Commuter Express (ACE)

A commuter rail service that runs between the City of Stockton in San Joaquin County and the City of San Jose in Santa Clara County. The service is a partnership involving VTA, the San Joaquin Regional Rail Commission, and the Alameda County Congestion Management Agency.

American Recovery and Reinvestment Act of 2009 (ARRA)

A job and economic stimulus bill intended to help states and the nation restart their economies and stimulate employment.

Americans with Disabilities Act (ADA)

Federal civil rights legislation that, among other provisions, gives disabled persons the right to equal access to fixed route transit service or to comparable paratransit service if they are unable to use fixed route transit.

Appropriation

Legal authorization expressed by budget unit, fund, and cost group granted by the Board to make expenditures and to incur obligations for specific purposes. Operating appropriations are time period limited and must be expended or encumbered within the time limits. Capital appropriations have no expiration.

Articulated Bus

A bus usually 55 feet or more in length that bends at a connecting point when the bus turns a corner.

Average Fare per Boarding

A measure of the rider contribution towards the farebox recovery ratio. This cost effectiveness measure is calculated by dividing the total fare revenue by total boarding riders.

Average Weekday Boarding Riders

The average number of persons who board the transit system on a day that normal weekday revenue service is provided.

B

Balanced Budget

A budget in which expected revenues equal expected expenses during a fiscal period.

Bay Area Air Quality Management District

Commonly referred to as the “air district,” this agency regulates industry and employers to keep air pollution in check, and sponsors programs to clean the air in the San Francisco Bay Area.

Bay Area Rapid Transit (BART)

The San Francisco Bay Area Rapid Transit District (BART) provides heavy passenger rail service in Alameda, Contra Costa, San Mateo, and San Francisco counties, between the cities of Fremont, Pleasanton, Richmond, Pittsburg, Millbrae, and San Francisco.

Biodiesel

A diesel-equivalent processed fuel, made from vegetable oils or animal fats, which can be used alone or blended with conventional diesel fuel in unmodified diesel-engine vehicles. Biodiesel is biodegradable and non-toxic and typically produces less carbon dioxide emissions and smog than petroleum-based diesel fuel.

Boardings per Total Hour

A productivity measure comparing the number of boardings to the number of total hours operated. Used to measure service utilization per unit of service operated.

Bond

Long-term debt issued by an agency to help finance new acquisitions of property, facilities, and equipment.

Bus Rapid Transit (BRT)

BRT combines the quality of rail transit and the flexibility of buses. It can operate on exclusive transit-ways, HOV lanes, expressways, or ordinary streets. A BRT system combines intelligent transportation systems technology, priority for transit, cleaner and quieter vehicles, rapid and convenient fare collection, and integration with land use policy.

C

Caltrain/Peninsula Corridor Joint Powers Board

Commuter rail service running between Gilroy and San Francisco through San Jose. The Peninsula Corridor Joint Powers Board (PCJPB), made up of representatives from the counties of San Francisco, San Mateo, and Santa Clara, oversees this commuter rail service.

Capital Budget

A portion of the annual budget that appropriates funds for the purchase of capital equipment items or for capital projects. The capital budget includes funds for capital equipment purchases, such as vehicles, construction of new facilities, office equipment, and machinery. They are

distinguished from operating items based on their value (greater than \$5,000) and projected useful life (greater than one year).

Capital Expenditure

Expenses that acquire, improve, or extend the useful life of any item with an expected life of one or more years and a value of more than \$5,000.

Capital Project

Expenditure for tangible long-lived assets, such as property and equipment used by VTA in its operations, which is expected to benefit future periods.

Capitol Corridor Intercity Rail Service

A 150-mile intercity rail service along the Union Pacific ROW Capitol Corridor, which runs between San Jose and Auburn, through Oakland and Sacramento.

Catenary

Suspended overhead wire which carries high voltage for electrically powered transit vehicles from a central power source.

Commuter Rail

Local and regional passenger train service between a central city, its suburbs, or another central city. Caltrain is an example of commuter rail service.

Comprehensive Operations Analysis (COA)

An in-depth effort to analyze VTA's existing transit services, identify underserved markets and ultimately produce a new structure for bus services. A key component of the COA effort was the development of policy standards to continually evaluate and monitor the performance of the bus system against Board-adopted measures of productivity.

Congestion Management Agency (CMA)

A countywide organization responsible for preparing and implementing the county's Congestion Management Program. CMAs came into existence as a result of state legislation and voter approval of proposition 111 in 1990 (later legislation removed the statutory requirements of Proposition 111, making CMAs optional). VTA is the designated CMA in Santa Clara County.

Congestion Management and Air Quality Improvement Program (CMAQ)

A federal funding program specifically for projects and programs that will contribute to the attainment of a national ambient air quality standard.

Congestion Management Program (CMP)

A comprehensive program designed to reduce traffic congestion, to enhance the effectiveness of land use decisions, and to improve air quality. The program must comply with CMP state statutes, and with State and Federal Clean Air Acts.

Contingency

A reserve created to cover the deficiency that may arise where an original appropriation proves inadequate to cover the necessary expenditures.

Corridor Mobility Improvement Account (CMIA)

A state highway funding program for projects on the California State Highway System that: Reduces travel time or delay, improves connectivity of the State Highway System between rural, suburban, and urban areas, or improves the operation and safety of a highway or road segment; Improves access to jobs, housing, markets, and commerce; and begin construction before December 2012.

Cost Center

A unit of business under a single manager that incurs costs for an activity or group of activities.

Cost Group

VTA uses expenditure and cost-reduction cost groups such as labor costs, non-labor costs, Caltrain contribution, Paratransit, ACE, debt service and revenues. They are the lowest units of budget funding control.

Cost per Total Hour

A measure of cost efficiency formulated by dividing the total operating expenses required to operate the transit system by the number of total scheduled service hours provided.

D

Debt Reduction Fund

A designated reserve fund established to facilitate reductions in unfunded obligations and long term liabilities and to provide funds for transit related capital improvements and for replacement of capital assets in lieu of financing.

Debt Service

The payment of interest and principal on long term borrowed funds according to a predetermined payment schedule.

Department

Mid-level unit of organization structure. A sub-section of a division responsible for specific functions or duties.

Designation

Designations reflect self-imposed limitations on the use of otherwise available and expendable financial resources.

Division

Top-level grouping of departments representing the functions of the organization.

E

Eco Pass

Pass program through which employers, communities or universities may purchase annual transit passes at a fixed price based on location and number of employees, residents, or students, respectively.

Enterprise Fund

A fund type used to report an activity for which a fee is charged to external users for goods or services.

Ex Officio Board Members

Metropolitan Transportation Commissioners who reside in Santa Clara County, and who are not member or alternate members of the Board of Directors, are invited to serve as Ex Officio members of the Board of Directors. Upon acceptance as Ex Officio Board members they are invited to, and may regularly attend, Board meetings including closed sessions. Their attendance is not counted for purposes of establishing a quorum, they do not have voting rights, and they do not serve on the standing committees of the Board.

F

Farebox Recovery Ratio

An effectiveness measure capturing the percentage of system operating expenses recovered through fare revenues. Calculated by dividing total directly-operated fare revenue by total operating expenses.

Farebox Revenue/Fares

Income generated from passengers using transit service. This includes cash deposited in fareboxes; income from the sales of tokens, tickets, and monthly passes; and revenues from special pass programs.

Federal Highway Administration (FHWA)

A division of the U.S. Department of Transportation that specializes in highway transportation and oversees federal funds used for constructing and maintaining the National Highway System.

Federal Transit Administration (FTA)

A component of the U.S. Department of Transportation that provides financial assistance to cities and communities to provide mobility to their citizens.

Fiscal Year

Period of any 12 consecutive months used as an accounting period. VTA's fiscal year is July 1 through June 30.

FTA Section 5307

Funds provided through the Federal Transit Administration to Urbanized Areas (UZAs) using a complex formula. These funds are not available for operating assistance in UZAs with a population over 200,000; however, they can be used for preventive maintenance purposes. Additional, in UZAs with populations greater than 200,000, 1 percent of the UZA formula funds are to be spent on transit enhancements, which include rehabilitation, connections to parks, signage, pedestrian and bicycle access and enhance access for those persons with disabilities, and 1 percent must be spent on security.

FTA Section 5309

Discretionary and formula transit capital funds provided through the Federal Transit Administration. New rail starts and extensions are funded through this program, which operates through earmarking at the congressional level. Other categories are fixed Guideway modernization (formula based), and bus and bus facilities (discretionary).

Full-Time Equivalent Position (FTE)

Numeric equivalent of one person, occupying one employment position, for one year (equivalent of 2,080 hours).

Fund

A fiscal or accounting entity with a self-balancing set of accounts. A fund is established for the purpose of carrying on specific activities in accordance with specific limitations.

Fund Balance

The difference between assets and liabilities reported in a governmental fund.

G

GovDelivery

Automated e-mail subscription service providing a fully automated, on-demand public communication system.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

H

HOV Lanes

Lanes on heavily congested roadways that are used exclusively by carpools, vanpools, buses or any vehicle that transports multiple passengers.

I

Indirect Cost

Expenses of doing business that are not readily identified with a particular activity, program, or project but are necessary for the general operation of the organization and the conduct of activities it performs.

Indirect Cost Allocation Plan

A methodology used to determine the appropriate rates for distribution of indirect costs to specific activities, programs, and projects.

Intelligent Transportation Systems (ITS)

Technologies that improve the management and efficiency of transportation systems, such as electronic fare payment systems, ramp metering, timed traffic signals and on-board navigation systems.

Interregional Transportation Improvement Program (ITIP)

A four-year planning and expenditure program adopted by the California Transportation Commission (CTC) and updated in even numbered years. The ITIP covers rural highway and key interregional improvements.

L

Light Rail

A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails in shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

Local Program Reserve

A source of local funding allocated to specific projects at the discretion of the Board of Directors. The reserve provides non-state and federal funding resources to projects that would otherwise have difficulty in obtaining federal funding or would encounter complications with project delivery using state or federal funds.

M

Metropolitan Transportation Commission (MTC)

MTC is recognized by the state as the Regional Transportation Planning Agency (RTPA) and by the federal government as the Metropolitan Planning Organization (MPO) for the nine counties in the San Francisco Bay Area. It has 19 commissioners, of which 14 are voting members appointed by local elected officials. In the five most populous counties, including Santa Clara County, two commissioners are appointed – one by the county board of supervisors and one by the cities selection committee in the county. In the four less populous counties, the cities nominate candidates to the board of supervisors, which appoints one. Two other voting members

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on MTC, to total 16, represent the Association of Bay Area Governments (ABAG) and the San Francisco Bay Conservation and Development Commission (BCDC). In addition, there are three non-voting members on MTC, representing the state's Business, Transportation & Housing Agency, the U.S. Department of Housing and Urban Development, and the U.S. Department of Transportation.

Miles Between Chargeable Accidents

A safety measure capturing the number of total scheduled miles traveled between each preventable accident.

Miles Between Mechanical Service Loss

A service quality measure capturing the number of total scheduled miles traveled between each mechanical breakdown that results in a loss of service to the public.

N

Non-Represented Employee

Any VTA employee whose position is not represented by an organized bargaining unit for the purpose of negotiating wages, benefits, and work rules.

Non-Revenue Vehicle

Vehicles used for purposes other than to transport passengers, including supervisors' cars/vans, service trucks, and equipment.

O

On-Time Performance

A reliability measure capturing the percentage of time a bus or light rail service meets the published schedule.

Operating Budget

The planning of revenues and expenses for a given period of time to maintain daily operations.

Operating Reserves

Current Unrestricted Assets less Current Unrestricted Liabilities less funds reserved for Inventory and Pre-Payments.

P

Paratransit

Comparable transportation service required by the Americans with Disabilities Act (ADA) of 1990 for individuals with disabilities who are unable to use fixed-route transportation systems.

Paratransit Net Cost Per Passenger

A cost-effectiveness measure of the Paratransit service provided. Calculated by dividing the total Paratransit operating expenses net of revenues, including an allocation of indirect costs, by the number of Paratransit trips.

Performance Measure

A quantitative measurement of an activity used to judge program effectiveness.

Personal Time Off

Time off for non-scheduled absences such as: sick, industrial injury, Family Medical Leave Act (FMLA), excused/unexcused leave, union business, and suspension.

Program

A set of interrelated work, activities, or tasks which, when completed, satisfies a stated objective.

Prop 1B

California Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, which authorized the sale of \$20 billion in bonds to fund transportation projects related to congestion, the movement of goods, air quality and transportation security.

Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA)

A program created as part of California Proposition 1B (2006) which allocates \$3.6 billion to be available to transit operators over a 10-year period. PTMISEA funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation or replacement.

R

Regional Transportation Plan (RTP)

A multimodal blueprint to guide the region's transportation development for a 20-year period. Updated every two to three years, it is based on projections of growth and travel demand coupled with financial assumptions. Required by state and federal law.

Represented Employee

Any VTA employee whose position is represented by the American Federation of State, County and Municipal Employees Local 101 (AFSCME), Amalgamated Transit Union Local 265 (ATU), Service Employees International Union Local 521 (SEIU), or Transportation Authority Engineers and Architects Association Local 21 (TAEA) for the purpose of negotiating wages, benefits, and work rules.

Reserves

Funds unavailable for appropriation for any operating or capital use except to meet emergency needs that cannot be funded from any other source.

Revenue Service

The time that a revenue vehicle is available to pick up or discharge passengers.

Revenue Vehicle

Vehicles used to transport passengers.

S

Safe, Accountable, Flexible, and Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU)

Legislation passed by Congress in 2005 to reauthorize federal transportation grant programs through 2009.

Sales and Use Tax

A tax on the retail sale, storage, use, or other consumption of tangible personal property.

Sales Tax – 1976 Measure A

A permanent one half-cent sales and use tax passed in March 1976 to ensure the continued operation and development of transit service in Santa Clara County.

Sales Tax – 1996 Measure B

A nine-year one half-cent sales and use tax passed in November 1996 for general county purposes. The County Board of Supervisors subsequently adopted a resolution dedicating the tax for transportation improvements. The tax expired on March 31, 2006.

Sales Tax – 2000 Measure A

A 30-year one half-cent sales and use tax passed in November 2000 to fund major transit improvement capital projects effective on April 1, 2006.

Sales Tax – 2008 Measure B

A 30-year one eighth-cent sales and use tax passed in November 2008 to fund operating and maintenance expenses and capital reserve contributions for the Silicon Valley Rapid Transit extension of BART to Santa Clara County. The tax becomes effective only if sufficient state/federal funds are secured to match local construction dollars.

Service Hours

Hours incurred by revenue vehicles from the time the vehicle leaves the operating division until it returns to the operating division.

Service Miles

Miles incurred by revenue vehicles from the time the vehicle leaves the operating division until it returns to the operating division.

Short Range Transit Plan (SRTP)

A document that catalogues operating statistics for the transit system and projects future improvements that are scheduled over a ten-year time frame. The document includes capital and operating budgets.

Silicon Valley Rapid Transit (SVRT)

The BART to Santa Clara County project. The project extends BART from Warm Springs, through Milpitas and downtown San Jose to Santa Clara, a distance of 16.1 miles. The project includes construction of a heavy rail rapid transit system, all ancillary requirements and the upgrading of the existing BART system to be fully integrated with the enhanced service of SVRT. Six stations and a maintenance and vehicle storage yard are proposed along the alignment.

State Highway Operations and Protection Plan (SHOPP)

A program created by state legislation that includes state highway safety and rehabilitation projects, seismic retrofit projects, landscaping, some operational improvements, and bridge replacement.

State Local Partnership Program (SLPP)

A state matching program for entities that enact local transportation taxes and uniform developer fees.

State Transit Assistance (STA)

A portion of the revenues budgeted annually by the state for the Transportation Planning & Development Account (TP&D). Funds are used for mass transit operations, transit coordination projects, and transportation planning. These funds are apportioned to the regional transportation planning agencies according to a formula based on population and annual transit operator revenues.

State Transportation Improvement Program (STIP)

A multi-year planning and expenditure plan adopted by the California Transportation Commission for the State Transportation System that is updated in even-numbered years.

Surface Transportation Program (STP)

A flexible funding program for mass transit and highway projects.

T

Total Boardings

The total number of boarding riders using VTA directly operated bus and light rail service. Riders are counted each time they board a bus or light rail vehicle.

Total Hours

The scheduled service hours operated from the time transit vehicles leave the operating division to the time they return.

Traffic Congestion Relief Program (TCRP)

A program established in 2000 to provide \$2 billion in funding for traffic relief and local street and road maintenance projects throughout California.

Transit Security Grant Program (TSGP)

A program providing grant funding to the nation's key high-threat urban areas to enhance security measures for their critical transit infrastructure including bus, ferry and rail systems.

Translink

A regional electronic fare payment collection system in the San Francisco Bay Area.

Transportation Development Act (TDA)

An act passed by the state Legislature in 1972 allowing each county to elect to participate in a quarter-cent state sales tax program for public transportation purposes. TDA sales tax revenues are apportioned by the state, through the regional transportation planning organizations, to each participating county based on the amount collected within that county.

Transportation Fund for Clean Air (TFCA)

Funds generated by a \$4.00 surcharge on vehicle registrations used to implement projects and programs to reduce air pollution from motor vehicles.

True Interest Cost (TIC)

A method of calculating the overall cost of a financing that takes into account the time value of money. The TIC is the rate of interest that will discount all future payments so that the sum of their present value equals the issue proceeds.

U

Undesignated Reserves

Reserves that have not been designated by the entity for other specific use.

Unfunded Obligations

Obligations or liabilities for which funds have not been identified or provided.

Urbanized Area

An area defined by the United States Census Bureau that includes one or more incorporated cities, villages and towns (or "central place") and the adjacent densely settled surrounding territories (or "urban fringe") that together have a minimum of 50,000 persons.

V

VTP 2035

A 25-year plan developed by VTA which provides policies and programs for transportation in the Santa Clara Valley including roadways, transit, ITS, bicycle, pedestrian facilities, and land

use. The VTP is updated every three to four years to coincide with the update of the Regional Transportation Plan (RTP).

Z

Zero Emission Bus (ZEB)

An urban bus certified to have zero exhaust emissions of any pollutant under any and all conditions and operations. This includes hydrogen-powered fuel cell buses, electric trolley buses, and battery electric buses.



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